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THE NAVAJO NATION

For Immediate Release
April 17, 2006

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Navajo Nation President Joe Shirley, Jr., emphasizes economic initiatives, gains in State of Navajo Nation address

WINDOW ROCK, Ariz. – Development of the Navajo economy took center stage in Navajo Nation President Joe Shirley, Jr.'s spring State of the Navajo Nation address before the Navajo Nation Council here Monday.

He also announced he would convene a Task Force to develop a detailed response to expected deep cuts in federal funding to the Navajo Nation and tribes across the country. The President's report was accepted by the Council with a vote of 74-3.

"As President of the Navajo Nation, I will do all I can to maintain funding for critical services to our Navajo people," he said.

The President emphasized 10 major economic initiatives his Administration is working on that will create hundreds of permanent new jobs, thousands during construction phases, and streamline the business leasing process on the Navajo Nation. These include the \$2.5 million Desert Rock Energy Project, the single largest project of any kind in Native America.

"Simply put, this project will address one of the most important economic development, environmental and energy challenges facing the Navajo Nation," he said. "I fully support this worthwhile endeavor and hope that you will continue to do so as well."

The President said the Desert Rock plant and Navajo Transmission Project is expected to bring in \$50 million in revenue annually to the tribal government, which amounts to 30 percent of its current budget.

He also urged the Council to consider a \$1 million special appropriation to the Navajo Tribal Utility Authority to assist the utility from having to implement a proposed 7.2 percent surcharge on electric bills, resulting from the loss of the Black Mesa Mine as a customer. Last week, NTUA's Board of Directors decided to postpone the surcharge.

"While we have many needs requiring appropriations, this is one that benefits our people in a direct way by staving off the loss of their hard-earned income so that they'll have just that little more to help provide for their families," President Shirley said.

He reported on the Nation's progress of its gaming initiative. He said a Tribal Gaming Enterprise Plan of Operation has been developed which calls for hiring an interim CEO and the appointment of a Gaming Enterprise Board of Directors.

He said that the Council's Intergovernmental Relations Committee last week approved an agreement with the Tohono O'Odham Nation to lease 200 gaming machines for two years which will bring in \$3 million.

The President also lent strong support to the pending Intergovernmental Traffic Offense Data Act of 2006, sponsored this session by Upper Fruitland Council Delegate LoRenzo Bates. The law would allow the Navajo Nation to share driving records with other states, specifically traffic citations, reports and DUI information.

Last week, he and First Lady Vikki Shirley held a joint press conference to proclaim April as Alcohol Awareness Month and to announce their support of Mr. Bates' legislation.

The President forewarned the Council of the impact the wars in Iraq and Afghanistan, as well as the Hurricane Katrina and Rita re-development, is already having on federal funding of tribal programs and contracts.

"President Bush proposes to eliminate critical funding for the BIA by \$109 million dollars," he said. "This will have a tremendous negative impact on the Navajo Nation in terms of providing direct services and funding contract programs."

He said if Mr. Bush's FY 2007 budget is approved by Congress, tribes will see a reduction in BIA school construction projects, the Housing Improvement Program and the complete elimination of Johnson O'Malley funding.

"We'll also see a major reduction in funding for our Social Services programs," President Shirley said. "Specifically, the Navajo Nation stands to lose approximately \$3.3 million dollars in welfare assistance."

Two weeks ago, he said, he urged the House Appropriations Subcommittee on the Interior, Environment, and Related Agencies to restore this critical funding. He said he would create a Task Force of personnel from the impacted Navajo divisions to devise a strategic plan and lobbying effort to fight the planned budget cuts.

In the meantime, he said the Navajo Nation is not idle and is making efforts to move away from federal dependency to address the people's needs on its own.

Among the projects underway through the Division of Economic Development, he said, are:

- Office and Retail Complexes, built in conjunction with the developer Chuska/Sahara. One complex in Tuba City is completed, and two more are planned for Shiprock, to begin next month, and Crownpoint. Each creates 125 new permanent jobs in these communities.
- The White Cone Commercial Center has broken ground and will host a gas station, convenience store, laundry, post office and café. The business lease is awaiting Bureau of Indian Affairs approval. A similar project is being discussed for Burnside Junction.
- Antelope Point Marina on Lake Powell has completed the first phase of a long-anticipated, long-term development project. Operational facilities include a fuel dock and convenience store, 80 boat slips for leasing and 22 rental slips for houseboats and small boats, and a walkway from shore to the boat docks.

The completed land-based facilities include fishing docks, parking and turnaround areas, a maintenance and boat repair facility, dry boat storage, and private boat launch ramp. Currently, there are 121 employees consisting of 61 full-time and 60 part-time workers. The target date for completion of the Marina Village is July 2006.

- The Alamo Mini-mall is a Division priority. The project will consist of a convenience store, gas station, post office and small café and create approximately 20 new permanent jobs.
- Raytheon Missile Systems, a tenant in the NAPI Industrial Park, continues to plan a major expansion of its electronics assembly-line products for the U.S. Department of Defense missile program. The expansion will result in 80 to 100 new permanent jobs.
- Environmental Forests Solutions, located at the former Navajo Forest Products Industry site, will provide a 10-megawatt power plant using biomass fuel. The small power plant replicates an Environmental Forest Solution

power plant in Eager, Ariz. The fuel to power the plant will consist of trees infected by the bark beetle, salt cedar, Russian Olives, and other trees small in diameter. The project will create approximately 60 permanent jobs.

- Navajo Safety Product, Inc., is a project to construct a 20,000-square-foot latex glove manufacturing facility in the Church Rock Industrial Park. The project needs a \$700,000 supplemental appropriation from the Navajo Nation, which President Shirley supports. The project will initially create 60 new permanent jobs with the potential of 80 new jobs after three years of production.
- The Desert Rock Energy Project and the Navajo Transmission Project will provide thousands of good paying jobs during its four-year construction period and, when completed, more than 400 permanent jobs at the plant and the adjacent Navajo coal mine.
- Diné Poultry Products Project in Nageezi and Huerfano Chapters. This three-phase project will initially produce 145 million marketable table eggs for distribution in New Mexico, Arizona, Nevada, Colorado and parts of California, with a majority of the market from federal government entities such as the U.S. Military, hospitals, schools and USDA programs.

The Budget and Finance Committee has approved \$3 million from the Navajo Dam Escrow Account to be used as collateral for the proposed project and the Nation is working with the Native American Bank to secure the loan.

The project already has secured a loan guarantee from the BIA and obtained a grant from the New Mexico Department of Economic Development to cover development costs.

- The new Navajo Nation Business Site Leasing Regulations, which have been submitted to the Secretary of Interior for approval, will finally streamline the process for issuing a business site lease and eliminate burdensome federal bureaucracy. This means the Nation will no longer have to wait up to four years for the federal government to conduct appraisals, which are required to determine rental fees and development timelines.

Although the first Navajo Nation casino site selected is the Pinta Road exit at Nahata Dziil, based a preliminary Phase I study by GVA Marquette Advisors, the President said the legal status of the land title is in question. He said the Navajo Department of Justice, in coordination with the chapter and the Office of Navajo and Hopi Indian Relocation, is researching the issue.

Meanwhile, the consultants' work on Phase II gaming analysis is underway and will provide, for each proposed site, a financial blueprint that will include cost estimates and revenue projections, and a site development plan that will include a suitability and infrastructure analysis, he said. The study will also include recommendations for the size of each facility and related ancillary developments.

The Gaming Regulatory Office, under the direction of Eddie Lockett, is ready to provide regulatory oversight, he said. The gaming regulations are in final form and the Mr. Lockett recently interviewed candidates for Regulatory Investigator and Gaming License Technician, and will begin to advertise the vacant Auditor Manager position.

Regarding the San Francisco Peaks lawsuit, President Shirley said he authorized the filing of an immediate injunction and an appeal of the U.S. District Court's decision to permit development of the Arizona Snowbowl. Consequently, he asked the Council to support a supplemental funding request for the Department of Justice.

He also reported that owners of the Arizona Snowbowl ski facility have expressed an interest in a buyout. He said he'd ask tribal leaders to meet to discuss it.

Finally, the President acknowledged the passing of the late Dr. Robert Roessel, Jr., a strong advocate of Navajo-controlled schools and the teaching of Navajo culture.

"It is unlikely that his achievements over 50 years will ever be matched in number or importance," President Shirley said. "The Navajo Nation is grateful to our in-law and friend, an education pioneer whose hard work and dedication will always be part of our Navajo education system."

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