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Press Contact:

Carl Slater, Senior Public Information Officer
(505) 371-8395 – cslater@navajodot.org

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NN Council Committee Appropriates Nearly \$2.2 Million of Fuel Excise Tax Money for Infrastructure Projects

April 6, Shiprock, NM – Yesterday, the Navajo Nation Council Resources and Development Committee (RDC) passed Legislation No. 0084-16, the 2016 Navajo Nation Road Funding Plan, 5-0, with one directive. The 2016 plan, sponsored by Delegate Leonard H. Pete (CHINLE) authorizes \$2,175,000 of Fuel Excise Tax (FET) funds for road maintenance and improvement activities for eight specific projects.

The unanimous approval came after two hiccups almost scuttled the legislation’s passage. First, Delegate Leonard Tsosie (LITTLEWATER, PUEBLO PINTADO, TORREON, WHITEHORSE LAKE, BACA/PREWITT, CASAMERO LAKE, OJO ENCINO, COUNSELOR) questioned whether there was, in fact, \$2,175,000 in the fund. Delegate Tsosie explained that a letter from the Office of Management and Budget stated the contrary (i.e. there wasn’t enough funding). Referencing a letter from from the division’s principal contracting analyst, Navajo DOT Department of Roads Manager Ray Russell assured Delegate Tsosie that a budget transfer had taken care of the discrepancy. Next, Delegate Walter Phelps (CAMERON, COALMINE CANYON, BIRDSPRINGS, LEUPP, TOLANI LAKE) weighed in on the legislation.

Delegate Phelps was concerned that a forbearance against the Navajo Nation Oil and Gas Company would adversely affect funding for safety improvements at the Navajo Petroleum convenience store in Tse Bonito, NM. He proposed an amendment wherein the funding for the safety improvement project would be transferred to an ongoing project in his district. Mr. Russell then explained that Navajo DOT would not pay any money to Navajo Petroleum,



Delegate Pete and his agents, Navajo DOT managers Ray Russell and Taft Blackhorse, testify before RDC.

instead Navajo DOT would pay the contractors directly for their work. The amendment failed.

The FET is one of two primary funding sources for Navajo DOT; Navajo DOT receives money directly from the Federal Highway Administration through a Programmatic Agreement. For each gallon of gas sold on the nation, the Navajo Nation Road Fund receives eighteen cents. For diesel fuel, the nation collects twenty-five

cents for each gallon sold.

In the 2016 plan, Navajo DOT will contribute matching funds for projects with regional partners. For example, Navajo DOT will contribute \$200,000 to an effort to improve N9660 Johnson Ranch Road. With a total cost of \$1.3 million, the realignment, gravel, and chipseal project will receive funds and in-kind support from both McKinley County and the State of New Mexico.

Navajo DOT will also leverage this

year's FET funding for projects with other Navajo Nation divisions. In conjunction with the Division of Community Development's Community Housing and Infrastructure Department (CHID) Navajo DOT will fund a solar street lighting project in Ft. Defiance, AZ. CHID, which runs the nation's Community Development Block Grant (CDBG) program, will contribute CDBG funds for the solar lighting project. For 2016, the road fund plan allocated \$180,000 for the solar street lighting project. Navajo DOT's contribution will satisfy the maximum points under the leveraging category for the CDBG.

At the end of the session, Delegate Amber Kanazbah Crotty (BECLABITO, COVE, GADI'I'ÁHI/TO'KOI, RED VALLEY, TOO H HALTSOOI, TOADLENA/TWO GREY HILLS, TSÉ ALNÁOZ'T'I'I) inquired what criteria were used to develop the 2016 project listing.

When assessing whether to include a project, Mr. Russell responded, Navajo DOT examines the volume of traffic on the route (average daily traffic, a.k.a ADT), whether the route is a school bus route, and how much compliance work has been completed for the proposed project.

Attached to the vote was a directive for Navajo DOT to report on the statuses of FY 2015 Road Fund Management Plan projects. Delegate Benjamin Bennett (CRYSTAL, FT. DEFIANCE, RED LAKE, SAWMILL) initiated the directive.

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