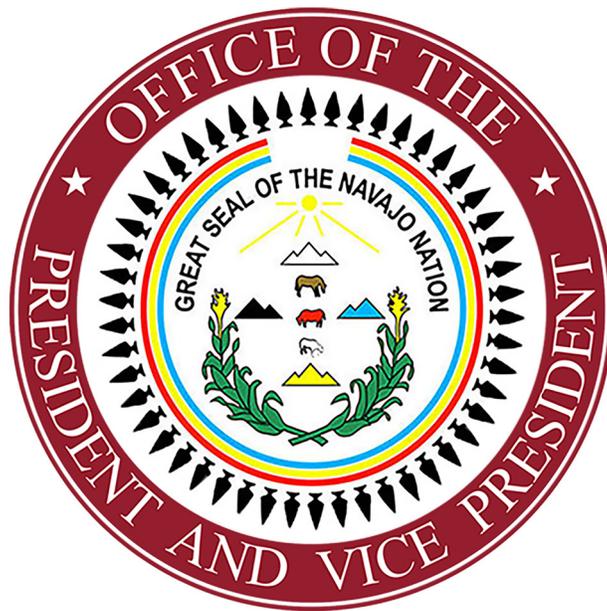


THE OFFICE OF THE NAVAJO NATION PRESIDENT AND VICE PRESIDENT



**STATE OF THE NAVAJO NATION ADDRESS
23RD NAVAJO NATION COUNCIL + FALL SESSION**

MONDAY, OCTOBER 17, 2016

THE OFFICE OF THE NAVAJO NATION PRESIDENT AND VICE PRESIDENT



STATE OF THE NAVAJO NATION ADDRESS 23RD NAVAJO NATION COUNCIL FALL SESSION 2016

Ya'at'eeh'

It's an honor to come before you today to present the State of the Nation address and open the fall session. I'd like to thank the 23rd Navajo Nation Council for their support and collaboration on critical legislations that have brought forth essential services to the Navajo people. I've always believed this is the bottom line when it comes to our responsibilities: to ensure our efforts are benefiting the service and needs of the people.

Before moving any further, let's remember our esteemed Navajo Code Talker, Sergeant Major Dan Akee, Sr., who left this world last Friday on Oct. 14. Sgt. Major Akee was an asset and a treasure to both the Navajo Nation and the United States. His service, along with the service of his fellow Navajo Code Talkers, ensured the freedom of the United States. Vice President Nez and I were fortunate to have shared some time with Sgt. Major Akee, when we helped

renovate his house this past February. He was very grateful and we were humbled to be able to assist our war hero. We extend our thoughts and prayers to his family at this time.

Thus far into our term, we've remained mindful in viewing the issues that face our people in terms of how they affect our future. I've stated previously that the Nation's coal revenues are dwindling and that we can't continue to rely on natural resource extraction to fuel our economy.

This is a serious issue and it requires a strategic plan. Thankfully, President Zah and the 15th Navajo Nation Council had the forethought to develop the Permanent Trust Fund. We keep talking about the PTF in terms of spending, we forget the reason it was developed in the first place; to ensure that we would be without detrimental want and need during times that the coal and oil industries would experience a downturn. We are here now. The PTF did not appear overnight in the form of a check from the US Government

and it will not reappear in a year, as those checks sometimes do. It took responsible behavior to grow it to its current balance of nearly two billion dollars.

At a Navajo Nation government-level and as a basic necessity, we need this money to maintain the existence of the Divisions, Departments, and Programs that serve our Navajo people. Which is why we should work hard to grow this fund, not spend it.

To this end, on October 05th, the Sihasin Sub-committee, B&F Committee, Vice President and I, met with Key Banc to agree on the best way to preserve and grow the Sihasin Fund's principal. The solution we came up with is to leverage the fund with a line of credit that would be serviced by a portion of the fund's interest. We thank the Sihasin Sub-committee and the B&F Committee for working with us to creatively move our Nation's finances forward. By doing this we continue to set aside funds for our future generations.

Another avenue of expansion that would affect the pockets of the Navajo people more directly is through small and large business development on Navajoland. Before we can successfully develop and rely on a business economy of our own, we need to put our dollars toward infrastructure. Our small business owners have voiced that they need help in addressing the red tape and bureaucracy that stifles many of our administrative processes.

In response to the request for more support from the administration, OPVP, the Council of Economic Advisors and the Division of Economic Development hosted the 2016 Navajo Nation B2B Procurement Summit. This event featured a series of lectures to educate small businesses and entrepreneurs on how to do business and secure contracts with the Navajo Nation and the federal government. More than 200 participating businesses also had an opportunity to meet one-on-one with Navajo enterprises, corporations and divisions to talk to them about their products and services.

Aside from these types of endeavors, in order to be fully supportive in this and other capacities, the Nation has to move toward in developing our own banking system and controlling our financial system in a more comprehensive way.

On a human wellness level, we have all bore witness to the ways in which our people, animals, and land have been severely affected by uranium. We continue to be haunted by

our past association with mining for the Cold War. Having swam in a radioactive San Juan River as a child and more recently, touring mine sites and visiting with our people who have been and continue to be aggressively affected by this invisible monster, we really feel for the families that are experiencing loss and lack protection.

The Tronox settlement is the first of many settlements that will provide real dollars to be directly applied to the clean-up of abandoned uranium mines owned by Tronox across Navajoland. USEPA, in partnership with Navajo EPA, the Navajo Abandoned Mine Lands, Trustee Sadie Hoskie, and our office is working to ensure that the clean-up is done in a way that honors *íina* and respectfully integrates our Navajo businessmen and women in the cleanup contracts. This is something the Executive branch and OPVP have hammered home, repeatedly. We want to come full circle, bring it back around to the integration of Navajo workers to heal ourselves while sustaining ourselves economically.

We need to recognize the value that our Navajo philosophical point of view has in the way we address our challenges and move our Nation forward. Our administration continues to address the issues that we are currently faced with in the most responsible way we know how. Not only for us as we are now, but also for our future generations, in preparation of how we can provide for all Navajo people to inhabit this earth.

One Nation, One Voice

OPVP will continue to work together with the 23rd Navajo Nation Council, as we have been in bringing development and services to the Navajo People.

Thank you Honorable Walter Phelps for sponsoring legislation for \$3M to support issues surrounding the Former Bennett Freeze Area. We signed off on \$3 million dollars, while OPVP utilized \$750,000 dollars from our budget. This money was transferred to Navajo Housing Authority for the purposes of FBFA to provide 56 new homes, renovate 36 more and to provide 52 clearances.

We are working with Honorable Raymond Smith in looking at purchasing and developing Fort Courage. It's a prime spot for economic development next to Interstate 40, which is a major thoroughfare across the state. We also worked together on Padre's Mesa Demonstration Project a.k.a. the Navajo Beef Program. The ranch, which is located in Nahata Dziil Chapter is impacted by the ONHIR transition. The

program is successful and provides high grade beef and also training for our ranchers. We look forward to working with you to make sure the Navajo Beef program will remain in tact and continue to provide quality beef.

Honorable Tom Chee, we are working on the last appropriation for a hotel and truck stop to be developed in the Shiprock area. We have also upgraded the sewer system, and the power/transfer sub-station through our collaborative efforts.

Last week I testified before the Department of the Interior and commented on amending on the criteria for how DOI reviews Indian Water Rights settlements. With those proposed amendments, we support the Navajo Utah water settlement because it will minimize waivers, which in the past have protected the federal government and did not benefit the tribes. Thank you Honorable Davis Filfred and Honorable Herman Daniels Jr., for supporting this settlement. We want it to favor the Navajo Tribe and not be based on the liability to the federal government, especially in terms of past, present and future water settlements.

We've worked with the Navajo Hopi Land Commissioners to appropriate up to \$3M in trust funds to chapters to build, renovate and bring infrastructure to these communities.

Thank you Honorable Seth Damon for bringing to OPVP's attention the need to construct bathroom additions in the Chichiltah Chapter area. They would not have received water without these additions.

Many of our people suffer from a various forms of cancer and we do not have a treatment center on the Navajo Nation. We are thankful to honorable Otto Tso, Walter Phelps and Tuchoney Slim for working together to build the first oncology center in Tuba City

We'd like to thank Honorable Lee Jack Sr., for his efforts in the construction of the new Teesto Chapter House as well as supporting the Indian Wells Economic Development project.

Thank you Honorable Nate Brown for your efforts in the opening of the Kayenta Health Care Center including the Veterans Clinic.

Infrastructure needs continue to be addressed in the Eastern Agency. Recently Honorable Leonard Tsosie worked with Executive Staff Assistant Mark Freeland on the Torreon/

Star Lake water line and bathroom additions that helped 13 families. They also helped to bring electricity to six families in Baca/Prewitt. They also worked together when the Counselor water system well pump malfunctioned causing an emergency, our staffed worked diligently to restore water to the community. Furthermore, as chairman of the Sihasin Subcommittee, we support your decision in keeping the entire Sihasin fund in tact while leveraging the funds.

Thank you Honorable Jonathan Perry for your work on behalf of the Nahodishgish bionic paving project that extended Navajo Route 52 three miles to meet the Chapter.

Thank you Honorable Kee Allen Begay for your work with the revival of the Boys and Girls Club in Many Farms.

We like to thank Honorable Norman Begay for his work in bringing development EMS building in Tohajilee being funded by Navajo AML and the State of New Mexico will cost a little under 3 million dollars and is now 80% complete. Thanks to the work of Navajo EMS, the Tohajilee Chapter House and many others, this project is on track. We also thank you for your work in the continued planning water design for Tohajilee and multiple Eastern Chapters.

Thank you Honorable Amber Crotty for sponsoring amendment legislation to the Uranium Commission plan of operations. We also recognize your work in providing additional funds for the Navajo Amber Alert initiative in the 2017 fiscal budget and we thank you for your support in RECA Claims and for advocating for full compensation to our Navajo uranium mine workers of the past.

Thank you Honorable Benjamin Bennett for your leadership in providing a fire suppression system and an access road to Crystal Chapter and in providing Red Lake Chapter in obtaining adequate community roads is commendable, thank you.

Thank you Alton Joe Shephard for the amendments to the Land Acquisition and disposition act that will streamline the ability of the Navajo Nation to acquire lands. Also for you support for funding a much needed shopping center at the Burnside junction.

Thank you Honorable Edmund Yazzie. We agree there are issues with the Congressional Bill regarding Ft. Wingate. We do not support the bill that would allow for a right-of-way without compensation and that would not recognize the potential burial sites.

Council of Economic Advisors

The Council of Economic Advisors has been instrumental in defining the course of OPVP's economic strategy in the last quarter, including its recommendations to focus on entrepreneurial development, legislative amendments to the Buy Indian Act and cross-collaboration among tribal enterprises and corporations, among others.

The Navajo Council of Economic Advisors and OPVP hosted a conversation with the Navajo Enterprises and Corporations to discuss small business development and vertical integration opportunities. Enterprises and corporations and the small business community explained their challenges in doing business on the Navajo Nation. Issues such as access to capital, bonding, work quality and competitive costs were topics of discussion.

Federal Buy Indian Act Bill amendments

As per the recommendation of the Council of Economic Advisors, OPVP met with Sen. Tom Udall on July 20, 2016 to request that he introduce an Indian Affairs Committee amendment to Senator McCain and Sen. Barrasso's S.3234, requesting that a provision be included to set goals on government contract set-asides under the Buy Indian Act. The Amendment passed the Senate Committee on Indian Affairs on Sep. 21

Executive Order 004-2016 – Sexual Harassment Training

The Division of Human Resources initiated the sexual harassment training for the Navajo Nation Executive Branch beginning on August 31, 2016, starting with its own Division staff. Thereafter, on October 15, 2016, the Administrative Service Center staff received their training. DHR is working with the other Divisions and the Navajo Nation Washington Office via Skype. Also, the Division of Public Safety is planning to hold a training for a majority of its employees at Twin Arrows soon.

As this is mandate, DHR is working as diligently as possible to get all 5000 employees within the Executive Branch trained on this subject matter. The message from Navajo Nation President Russell Begaye has had a very positive effect on these trainings. DHR intends to complete these training before the end of November considering that the holidays are coming up and many Navajo Nation employ-

ees will be taking vacation to use their excessive annual leave. 450 employees have been trained so far.

Other plans include sexual harassment training for incoming chapter officials and school board members.

Navajo Business Opportunity Act Amendments

OPVP has hosted a series of meetings, including the Conversation with Navajo Enterprises and Corporations and the B2B Procurement Summit to get feedback from the business community, Navajo enterprises and corporations and government divisions on how to improve NBOA legislatively. The Office is also compiling information from divisions, enterprises, corporations and KPMG on the dollar amount of contracts from these entities that are awarded each year to Navajo owned businesses.

Navajo Air Transportation Department

One of the major accomplishments of the Air Transportation department is maintaining a 98% dispatch rate. This means when a department or program schedules an aircraft, it completes its mission without failure. Given the situation of operating extremely underfunded and understaff makes this a major feat in its own. The only way possible to carry this out is by having highly experienced pilot/ mechanics that are cross trained who can perform both duties. It is becoming more difficult to accomplish projects due to a lack in funding. This reduction in financial support has crippled our capital resources (aircraft) to a point that requires immediate action. Just being able to keep the doors open down here and keeping 33-year-old aircraft in the sky is a major feat in its own. If this trend continues and Air Transportation receives no support the department will cease operations in the near future.

Facilities Maintenance Department

Navajo Nation Wide Building Assessment (Phase 2) – Facility assessment of all Navajo Nation Buildings listed under FMD's maintenance listing. The states of Phase 2: Completed. The NN Facilities Maintenance Department began the FY 2015 budget year with the intent on accurately accounting for all facilities maintained under our department to provide our office with facility information that will further aid in expediting service delivery. In addition to obtaining facility information this was also included to provide location information on our facilities listing for the department.

Road and Parking Lot Improvements (Window Rock, AZ). FMD has stood firmly to address American Disability Association issues and other areas that serve as public and employee areas that are available for parking. Over the course of the last two decades, numerous complaints were made to address the parking areas in several areas across the Window Rock Governmental Campus. Parking renovations have been and will be performed on Administration Building 1, Administration Building 2, the Department of Dine Education and the Navajo Nation Veterans Park.

Thank you Honorable Jonathan Hale for running with American Disabilities Association legislation that brought amendments to strengthen the code in addressing and ensuring accessibility to all government facilities.

Indian Trust Asset Reform Act (ITARA)

On September 29, 2016, the Navajo Nation OPVP and Divisions participated in a consultation and listening meeting with the U.S. Department of the Interior, Office of Special Trustee (OST). On June 22, 2016, President Obama signed into law the “Indian Trust Asset Reform Act” (Public Law 114-178). Title III of this Act allows the Secretary to establish an Under Secretary for Indian Affairs who is to report directly to the Secretary of the Interior and coordinate with OST to ensure an orderly transition of OST functions to an agency or bureau within Interior. The OPVP coordinated with Divisions to provide comments regarding the functions of OST and the transition plan of these trust functions. A few of these critical functions include investment, accounting, lockbox management, historical accounting, asset reporting and reconciliation, and technical assistance and training, appraisal services, and trust records management.

U.S. Housing and Urban Development

On October 6, 2016, a meeting was held with Ms. Carolyn O’Neil, Administrator, and Mr. David Southerland, Deputy Administrator of HUD’s Southwest Office of Native American Programs Administrator (SWONAP). OPVP discussed the transition of the oversight for the Navajo Housing Authority from HUD’s Northern Plains Office located in Denver, Co. to the Southwest Office located in Albuquerque, NM. The Navajo Nation’s establishment of its Tribally Designated Housing Entity was also discussed as well as the role and responsibilities of the Navajo Nation

within this framework. Administrator O’Neil stated that planning a TDHE designation is a process and decision that is completely up to the tribe in how they want to structure the entity.

OPVP has helped to find funding for nine power line projects for 95 homes utilizing Indian Community Development Block Grant (ICDBG) funds.

- Cove was awarded \$278,649.
- Lechee was awarded \$548,583.
- Tsaile/Wheatfields was awarded \$209,361.
- Birdsprings \$1,469,026
- Mexican Water \$279,822
- Sweetwater \$194,849
- Red Mesa \$507,406
- Red Valley \$128,956
- Dilkon \$541,495

The following three projects scored high but funding had been exhausted. OPVP is in the process of finding funding for the following power line extensions:

- Kinlichee is requesting \$688,518
- Coppermine is requesting \$393, 271
- Ojo Encino is requesting \$174,053

Department of Public Safety

Because of the State of New Mexico’s financial conditions, the following three fire stations were at risk of being shut down. One of DPS’s major accomplishments is that the department is taking over the three (3) fire station operations in Ojo Amarillo, Newcomb and Shiprock and acquiring 15 additional firefighter positions for the three (3) fire stations. Majority of the equipment was transferred over to the Navajo Nation. As of today we have received many positive comments from the three communities that the Navajo Nation will have immediate response to emergencies, having NN staff providing assistance, etc. Before they had to wait for assistance for emergencies until someone from the station arrived.

Department of Dine Education

In Washington D. C., the U.S. Department of Education and the U.S. Department of Interior approved the Diné School Accountability Plan (DSAP). DSAP is the accountability plan for the Navajo Nation to implement for tribally controlled schools on the Navajo Nation. It is the first step to obtain the State Educational Agency status within the U.S. Department of Education.

The Navajo Epidemiology Center (NEC) received a Substance Abuse and Mental Health Services Administration (SAMHSA) grant award of \$200,000 to address youth suicide prevention. The project is expected to be coordinated in partnership with OPVP, Building Communities of Hope, Navajo Area Indian Health Service, and John Hopkins Center for American Indian Health.

The Office of Navajo Uranium Workers reported that 22 clients received compensation from the Federal Radiation Compensation Network totaling \$1.4 million dollars. The ONUW continues to do case management to ensure eligible former uranium workers and/or their dependents receive consideration for compensation. ONUW also participated in outreach efforts this quarter at the following locations: Pinon Chapter, Ganado Chapter, Elder/Youth Summit and the 2016 Operation Veterans Wellness.

In Closing

With the start of the Navajo New Year and the change of seasons from summer into fall; we face a natural transition of our place on earth that is the Navajo Nation. As Diné, we welcome these changes as they bring new perspectives and open up dialogue for storytelling. This is a season of passing on traditional knowledge from our elders to our youth. Let's encourage this within our families while reinforcing traditional values throughout our circles of friends and family.

Let's look to this time as an opportunity for reflection on how we can work together for common goals according to the "One Nation, One Voice" agreement. Let's take an approach of preparing for the next season, the next year and ultimately the next generation. It's imperative that we view our political movements as a nurturing of beneficial change toward what is yet to come. As President and Vice President of the great Navajo Nation, we thank you for your continued support and will continue to hold you up in our prayers. God Bless you.

Ahe'hee'.



Russell Begaye, *President*
THE NAVAJO NATION



Jonathan Nez, *Vice-President*
THE NAVAJO NATION

