



The Navajo Nation Office of the President and Vice President

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Nez-Lizer exercise termination provisions of NTEC indemnity agreements

WINDOW ROCK — On Tuesday, in the interest of protecting the Navajo peoples' resources and financial portfolio, Navajo Nation President Jonathan Nez and Vice President Myron Lizer exercised the termination provisions of the general indemnity agreements related to the Navajo Mine, rejecting Navajo Transitional Energy Company's proposal to use the indemnity agreements for bonds financially-backed by the Nation for NTEC's recent acquisition of three coal mines located in Wyoming and Montana.

"The Navajo Nation's financial portfolio as well as our resources would be placed in a state of uncertainty if we allowed NTEC to proceed with finalizing the bonds needed to operate these three mines using the Nation's consent given in these indemnity agreements. In addition, many experts question the viability of expanding our interests in a coal market that appears to be dwindling. We will not support initiatives that attempt to circumvent or undermine the laws and policies of our Nation," said President Nez.

The general indemnity agreements were authorized by the Navajo Nation Council in 2013 and 2015 for the sole purpose of providing financial backing for bonds related to NTEC's acquisition of the Navajo Mine, which NTEC still owns and operates. The bonds issued for the Navajo Mine acquisition, including bonds related to the Four Corners Power Plant, will remain in place and will not be affected in any way by Tuesday's termination of the general indemnity agreements.

The action to exercise the termination provisions of the general indemnity agreements is in accordance with Resolution CAP-13-15 related to the Navajo Mine acquisition in 2015, which also authorized the President to take steps reasonable and prudent to carry out the original intent of the resolution — a position that is supported by the Navajo Nation Council's chief legislative counsel.

"The Nez-Lizer Administration strongly supports Navajo businesses and enterprises, but business has to be conducted the right way with transparency and integrity. NTEC should focus more resources into transitioning their energy portfolio to acquire and develop renewable energy for the Navajo Nation," said Vice President Lizer.

President Nez and Vice President Lizer also cite the lack of information provided by NTEC related to the costs associated with reclamation bonds for the acquisitions of the three mines and NTEC's overall financial status.

“NTEC has not provided the Nation’s leaders with detailed information regarding its financial performance and outlook, so we should not be placed in a position to provide financial backing for NTEC without that critical information. The Office of the President and Vice President did not learn of these acquisitions until NTEC issued a press release on Aug. 19 — this action alone is disrespectful of our Nation’s leaders and the interests of the Navajo people.”

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