Mr. Chair, Vice Chair, Secretary, Council Delegates, Chapter Officials, relatives and visitors. Thank you for allowing me time to speak to the Eastern Navajo Agency Council. I am honored to be with you this morning to share information on activities the Office of the President and Vice President is currently involved with that impact the Eastern Agency.

FEDERAL BUDGET

As you may have read in the news, the federal government is operating under a continuing resolution, up to March 18. The CR was introduced in the House of Representatives on Monday, the House passed it on Tuesday, Senate passed it on Wednesday, and President Obama signed yesterday. Within this time period, Congress and the administration will negotiate a budget for FY 2011, which is contained in H.R. 1.

At this point, the house passed H.R. 1, and now moves to the Senate for consideration. Once they pass their version, it must go back to the House of Representatives, and both bodies must reach a compromise. During this process, President Obama has assigned Vice President Biden, the White House Chief of Staff, and the U.S. OMB Director to negotiate funding cuts. All this will happen within the next few weeks. If no compromise takes place, another Continuing Resolution could be considered by Congress. From the Navajo Nation, we are
completing our own analysis of HR 1. Our position is to “hold harmless” funding to Indian Country and made this position clear in a letter to President Obama. Regarding H.R. 1, we are facing a few challenges.

At the moment, our primary concern relates to the Navajo Technical College in Crownpoint. In both the CR and H.R. 1, 50% of fund for NTC is de-authorized. Our hope is to remove language in H.R. 1 that de-authorizes NTC. Politically, some in Congress believe on the federal side that funding for NTC and the United Tribes Technical College are earmarks and currently, there is a trend to move away from earmarks.

On Thursday my office sent a letter to the majority leadership within the U.S. Senate expressing our concerns. Yesterday, I met with Senator Bingaman to discuss this issue and addressed White House officials on this matter, including Charles Galbraith, the newly appointed Associate Director of the Office of Intergovernmental Affairs. They are aware of the proposed cut for Navajo Technical College and have agreed to review the matter. Again, our position is to hold harmless cuts to Indian Country.

Lastly, other areas of concern within H.R. 1 relate to funding for Navajo Agriculture Products Industry, as well as stipulations in H.R. 1 concerning ARRA. In its existing form, H.R. 1 contains language that states any funds that have not been expended by February 11, 2011, will be returned to the federal government. To address this concern within the Navajo Nation Government, we pulled together our division directors and made them aware of the language. We also gathered programs that accept ARRA funding and relayed this message to them. Currently, OPVP is receiving an update on the status of these funds. The
positive news is that many of our programs have expended or have committed the dollars. But, we will continue to push our programs to spend their dollars.

**SAN JUAN COUNTY ROAD 7950 IMPROVEMENT**

San Juan County received SAFETEA-LU from the FHWA $800,000 to improve SJC Route 7950 for the people living in the Chaco Canyon area. An Environmental Impact Statement (EIS) was completed jointly with San Juan County, NM, and the Navajo Nation and it was submitted to the Federal Highway Administration- Albuquerque office for approval. Last year, the National Park Service (NPS) opposed efforts to improve this road because they felt that our efforts would disturb the historic park and increase the number of visitors. To remedy the matter, we went into mediation meetings to resolve their concerns, and have come to an agreement to distribute the responsibilities to each agency to improve the route. Thus, an MOU/MOA will be developed amongst the agencies, and we will send a letter to FHWA to discuss this agreement and request for an issuance of the Findings of No Significant Impacts (FONSI), so the project can commence this year.

**STATE OF NEW MEXICO**

Government-to-government collaboration and partnerships with New Mexico continue to be important to the Navajo Nation. As Vice President, I established strong relations with state leaders and will continue this effort as president. Last year, the national recession and hard economic times forced us to communicate more effectively on issues affecting the Navajo people living in New Mexico. Cuts to vital services, creating additional revenues, and protecting capital outlay funding were among the many issues discussed between the state and the Navajo Nation. With a new administration, the Vice President and I will
work closely with Governor Susana Martinez to ensure vital services are provided to our people. Further, we will partner with the state to identify solutions to streamline and make the capital outlay process more efficient on both the state and tribal side.

As you know, the legislature is in session and our delegation is working hard to promote the interests of our people. Senators John Pinto, Lynda Lovejoy, and George Munoz are owed our gratitude. We are also grateful to Representative Sandra Jeff, Ken Martinez, Ray Begaye, Patricia “Patty” Lundstrom, and Eliseo Lee Alcon. Together, they are representing our interests and are working hard.

Along with the Speaker’s Office and Legislative Branch, my office has been active at the legislative session. Everyday we review and monitor bills as they move through the legislative process. To protect our interests, we advocated and opposed several bills, including SJM 6 and SB 475, which could eliminate the Public Regulation Commission, and both SB 421 and HB 81, which could adversely affect the Traditional Cultural Property designation of Mount Taylor.

The protection of sacred sites continues to be important to my administration and we will continue to advocate for the protection of Mount Taylor. During the legislative session, my team, alongside the Speaker’s Office and Navajo Nation Human Rights Commission, has worked tirelessly to monitor bills that affect sacred sites.

Specifically, we are playing close attention to HB 81, a bill which would prohibit common lands of a land grant-merced that is a political subdivision of the state from being considered to be, designated or treated as state land and preserving
the property rights of certain Spanish Land Grant heirs. If passed, this bill would allow land grants the same status as tribes and would also allow land grants the ability to bypass cultural properties laws and regulations. When it was considered in the House of Representatives, Representative Jeff was the only person in the body who voted against the bill and the Navajo Nation thanks her for taking a stand to protect Mount Taylor.

At the moment, HB 81 is going before the Senate Indian Affairs Committee and Senate Judiciary Committee for consideration. Next week, I will work with Senators Pinto, Lovejoy, Ulibarri, and Munoz to ensure they understand our position.

Lastly, my staff and the Department of Justice are working closely with Senator Munoz to find a compromise on SB 224, which would clarify that local county governments may act as fiscal agents for chapters of the Navajo Nation. My administration will work with both state and tribal leaders to ensure that we create a more efficient process for capital outlay projects.

**ADMINISTRATION & THE NAVAJO NATION COUNCIL**

Since the reduction of council delegates, the 22nd Navajo Nation Council within the Legislative Branch is reorganizing. So with those efforts of restructuring, I created the Executive Branch Reorganization Taskforce to address cost containment and ensure efficiency within the government. Appointments to this taskforce have begun and we have to look at ways to cut costs and practice financial responsibility.
For short-term goals, the Shelly-Jim Administration established the (SAS) Executive Review Working Group in order to evaluate our internal structure and look at how we can improve the review process. I have heard the complaints and many struggles with the SAS process. We will reform this system and make it work for our divisions and programs in order to provide better service to the Navajo people.

Another opportunity for immediate reform is the Procurement Process. The Division of Community Development along with our chapters, the Department of Justice, the Judicial Branch, and the Controller’s Office have met and discussed the proposed amendments to the Navajo Nation Procurement Act. The Department of Justice is finalizing these revisions and it will be before the Navajo Nation Council soon for consideration. I continue to work diligently with Speaker Johnny Naize to ensure that the tribal council considers the new amendments when it comes before them.

Some long-term goals are infrastructure. With our natural resources we have the capacity for renewable energy, both wind and solar, to develop a comprehensive energy policy. I have appointed Mr. Samuel Woods, my policy advisor within the Office of the President & Vice President, to take the lead in recreating the Energy Development Committee, which will update and coordinate the development of our energy portfolio. Appointments from the Division of Community Development, Natural Resources, Environmental Protection Agency, Department of Justice, and Minerals Department have been made.

A majority of the appointments to my cabinet and within the executive office have been made and is ongoing. Each appointee is under a 90-day review as I
evaluate their performance. It is my intention to appoint the best-qualified people with the heart and dedication to assist me in moving our Nation forward.

**APS LEASE & 2011 COMPREHENSIVE BUDGET**

I continue to assess legislation for the extension of the APS Lease for the four-corners power plant and my executive staff has prepared a thorough analysis of the project. It is very important to me that all perspectives are considered since the livelihood of countless Navajo families in both the Northern and Eastern Agencies could be affected. Before making a decision on the lease extension, I will consider the protection of existing jobs, the health of our communities, our environment, and revenue to provide essential services to the Navajo people.

Recently the Navajo Nation Council approved the 2011 Comprehensive Budget and my staff is providing an analysis on the matter. I will take action on this resolution next week.

My office continues to be active in many areas and is open and available to assist in efforts to better the livelihood of the Navajo people. *Ahehee’.*

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