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UNEMPLOYMENT ON INDIAN RESERVATIONS AT 50 PERCENT: THE URGENT NEED TO CREATE JOBS IN INDIAN COUNTRY

HEARING

BEFORE THE

COMMITTEE ON INDIAN AFFAIRS
UNITED STATES SENATE

ONE HUNDRED ELEVENTH CONGRESS

SECOND SESSION

JANUARY 28, 2010

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UNEMPLOYMENT ON INDIAN RESERVATIONS AT 50 PERCENT: THE URGENT NEED TO CREATE JOBS IN INDIAN COUNTRY

THURSDAY, JANUARY 28, 2010

U.S. SENATE,
COMMITTEE ON INDIAN AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 2:48 p.m. in room 628, Dirksen Senate Office Building, Hon. Byron L. Dorgan, Chairman of the Committee, presiding.

OPENING STATEMENT OF HON. BYRON L. DORGAN, U.S. SENATOR FROM NORTH DAKOTA

The CHAIRMAN. We will begin the hearing now on the issue of unemployment on Indian reservations.

Let me make a brief comment about it. The urgent need for job creation on Indian reservations is apparent to everybody. Our Nation's unemployment rate has now spiked to 10 percent, the highest in 30 years. And I will tell you, there are a lot of people in a lot of areas on Indian reservations where they would welcome 10 percent unemployment. For Native American communities, in many cases the rate is far, far higher. The national average is 50 percent unemployment. In the Northern Great Plains, it is 77 percent unemployment. So we have places in this Country that would very much welcome a 10 percent rate.

Unemployment on the Indian reservations is not seasonal. It is chronic. It is an abiding unemployment that causes a lot of difficulty. Of the 10 poorest counties in America, I will put up a chart, eight of them are on Indian reservations. All eight have very high Indian populations.

[The information referred to follows:]

10 POOREST COUNTIES IN AMERICA		
1	Buffalo County, SD (Crow Creek – 82% Native American)	$5,213
2	Shannon County, SD (Oglala Sioux – 94%)	$6,286
3	Starr County, TX	$7,069
4	Ziebach County, SD (Standing Rock Sioux – 72%)	$7,463
5	Todd County, SD (Rosebud – 86%)	$7,714
6	Sioux County, ND (Standing Rock Sioux – 85%)	$7,731
7	Corson County, SD (Standing Rock Sioux – 60%)	$8,615
8	Wade Hampton, AK (Venetie / other villages - 93% AK Native)	$8,717
9	Maverick County, TX	$8,758
10	Apache County, AZ (Navajo, Hopi, Zuni, Ft. Mojave – 77%)	$8,986

Unemployment means poverty, in most cases, despair, high suicide rates, dropout rates, poor health, poor housing conditions. It all relates to chronic and very high unemployment.

We have a lack of access to capital that has stunted economic growth, outdated Federal policies, and some cumbersome regulations. There are a whole series of things that we must do to try to address this chronic and urgent problem.

So, we are holding a hearing on the issue of unemployment on Indian reservations. We have two panels today. The first is Donald "Del" Laverdure, who is the Deputy Assistant Secretary for Indian Affairs. I am going to ask him to testify first. And then with his permission, I am going to ask the other witnesses to join him at the table, ask for their testimony, and then we will ask questions.

The second panel will be the Honorable Jefferson Keel, the President of the National Congress of American Indians; the Honorable Harvey Spoonhunter, the Chairman of the Northern Arapaho Business Council in Wyoming; Ms. Gloria O'Neill, the President and CEO of Cook Inlet Tribal Council in Anchorage; and Mr. Conrad Edwards, the President and CEO of the Council for Tribal Employment Rights, Federal Way, Washington State.

Let me begin with Deputy Assistant Secretary Del Laverdure. Would you please come forward? And your entire statement will be part of the permanent record, and you may summarize.

Without objection, let me ask Senator Tester to provide a more proper introduction of the Deputy Assistant Secretary.

STATEMENT OF HON. JON TESTER, U.S. SENATOR FROM MONTANA

Senator TESTER. No, you did great. I would just say thank you, Mr. Chairman. Del is a member of the Crow Tribe in Montana. Del is somebody that I have had the opportunity to work with in my years as a State Senator in Montana, and years as a U.S. Senator

here in Washington, D.C. He is a straight-up guy, quality fellow, knows his stuff, and I appreciate your being here, Del. Thank you.

The CHAIRMAN. You may proceed. Your entire statement will be part of the record and you may summarize. Thank you for being here.

STATEMENT OF DONALD "DEL" LAVERDURE, DEPUTY ASSISTANT SECRETARY FOR INDIAN AFFAIRS, U.S. DEPARTMENT OF THE INTERIOR

Mr. LAVERDURE. Thank you, Mr. Chairman, Senator Tester, distinguished Members of the Committee. I appreciate the invitation to address your concerns regarding unemployment in Indian Country.

My name is Donald Laverdure and I serve as the Deputy Assistant Secretary for Indian Affairs in the Department of the Interior.

Addressing job creation in Indian Country is one of Assistant Secretary Echo Hawk's and Secretary Salazar's top priorities, so I do very much appreciate this time. While the nationwide unemployment rate hovers around 10 percent, unemployment in Indian Country, as indicated by the charts, can sometimes reach as much as 80 percent. Chronic joblessness often seems endemic to many parts of Indian Country, plaguing one generation to the next.

While the remoteness of many tribal communities may offer a partial explanation, it doesn't explain why Indian joblessness lingers for generations despite better economic situations in some adjoining non-Indian communities. Undoubtedly, the need for jobs in Indian Country is great and more work must be done.

We will continue at the Department to proactively work with tribes, sister agencies in the Federal Government, this Committee, NCAI, large land-based tribes, and everyone else to try to tackle unemployment. It is Interior's goal that this collaborative effort, with tribes leading the way, can initiate some near-term and long-term solutions that can turn the corner with unemployment.

Some tribal nations, due to a variety of factors, have been successful in launching business enterprises and fostering entrepreneurship. We will utilize those successful business experiences to inform the path forward for other tribal nations if applicable, and businesses, by encouraging collaboration tribal nation to tribal nation.

It is important, however, to acknowledge that the one size fits all approach does not adequately address job creation in tribal communities. The enduring lesson that the Department has learned is that job development policies imposed on tribes never succeed. Consequently, it is critical that tribes and tribal organizations be the driving force behind Federal policies.

However, there are longstanding challenges that are common across Indian Country. They include lack of collateral access to capital markets, as Mr. Chairman indicated; a lack of sometimes business development environment, separating politics from business; a need for improved physical and legal infrastructure; difficulty in developing natural resources with overlapping jurisdictions; lack of opportunities to develop a skilled workforce; and lack of access to information technology.

Many of these roadblocks are products of a history of the Federal-State tribal relations and have tribe-specific nuances that must be addressed on a tribe by tribe basis.

Perhaps the largest opportunity for economic development and job creation in Indian Country today is development of tribal energy resources. As the Members of this Committee are well aware, Indian Country offers some of the highest renewable and conventional resource potential in the Nation. Analogous to the President's push toward a clean energy economy, the Department is working with Members of this Committee and their staff, as well as officials from the Departments of Energy and Agriculture, to address barriers and hopefully kick start Indian renewable energy.

Including energy, we are taking several approaches to support Indian job creation, and as important, assist in building a strong on-reservation economic foundation that encourages small business development, establishes markets for goods and services, and develops a skilled workforce.

After meeting with many tribal officials, we plan to address broad issues that are common across Indian Country, combined with a focused effort to provide individual tribes with support that they need.

First, the President has stressed interagency cooperation and moving beyond longstanding bureaucratic barriers. Like the President's and Secretary Salazar's message to collaborate, the Department recognizes the same time of leadership Members of this Committee have provided. In specifics, we appreciate Chairman Dorgan's communication with Secretary Salazar and Secretary Chu in an effort to spur a collaborative and comprehensive Federal effort to support energy development in Indian Country.

As a reflection of that cooperation, I have recently participated in a roundtable discussion of jobs in Indian Country between officials of numerous agencies, tribal leaders and Indian entrepreneurs. In addition, I plan to attend discussion with representatives from the Harvard Project who have been working on these issues for Indian economic development for some 20 years, as well as other Federal agencies, including Commerce and USDA.

Second, we are looking to improve data collection to clarify the picture of unemployment in Indian Country and sharpen our efforts to address it. We have restructured the Labor Force Report to more accurately reflect employment conditions in Indian Country. For the first time, the Report will collect information on part-time, seasonal and temporary workers. Data can now be reported online and we can provide technical assistance by telephone to assist tribal officials in completing this report.

As a result of this work to restructure, the Labor Force Report will be able to publish more accurate data and we expect to publish a new report this summer.

Third, the Department of Interior and the Office of Indian Energy and Economic Development will continue to deploy financial and human resources proactively in Indian communities to provide technical assistance, job training and workforce development to address unemployment. We have initiated many programs, and I will give you a small snapshot of those, and then conclude.

The Indian Loan Guaranty, Insurance and Interest Subsidy Program provides Federal guaranties and loan insurance for Indian-owned businesses. In fiscal year 2009, the Office of Indian Energy and Economic Development used $7 million in appropriations to guarantee and insure $85 million of Indian loans. With ARRA, the appropriation was $9.5 million and we are seeking to insure $122 million.

Indian economic development incubators focus on job training and development initiatives in a particular State or region for a specific period of time. We have launched these in South Dakota, Montana and Maine, and we look forward to continuing those efforts.

We have a Native American Business Development Institute which links tribes with businesses and engineering graduate schools to work with tribal leaders to identify business opportunities through feasibility studies and market studies. Today, we work with 14 graduate schools to perform 24 separate such studies. We are exploring the possibility of integrating tribal colleges and universities who have ground level understanding of these conditions.

In sum, Mr. Chairman and Members of the Committee, we look forward to the continued collaboration working with this Committee, tribal leaders, academic community and private industry to address this chronic and very important problem. This collaborative effort should yield progress toward some solutions at the local level.

Through these partnerships and our Nation to Nation relationship with Indian tribes, we can create more opportunities and job growth.

Thank you for your time and I will be happy to answer any questions.

[The prepared statement of Mr. Laverdure follows:]

PREPARED STATEMENT OF DONALD "DEL" LAVERDURE, DEPUTY ASSISTANT SECRETARY FOR INDIAN AFFAIRS, U.S. DEPARTMENT OF THE INTERIOR

Good afternoon, Mr. Chairman and distinguished Committee Members. Thank you for inviting me to address your concerns regarding unemployment in Indian Country. My name is Donald Laverdure and I serve as Deputy Assistant Secretary for Indian Affairs in the Department of the Interior. Addressing the dire need for employment in Indian Country is one of Assistant Secretary Echo Hawk's and Secretary Salazar's priorities, in addition to law enforcement and education, so we very much appreciate the opportunity to testify at this hearing.

While the nationwide unemployment rate hovers around a distressing 10 percent, some reservation face unemployment rates of up to 80 percent. Chronic joblessness often seems endemic to many parts of Indian Country, resisting all antidotes, and plaguing one generation to the next.

The need for jobs in Indian country is great, and more work must be done. The Department is grateful for the leadership members of this Committee have provided. In particular, we appreciate Senator Dorgan's communication with Secretary Salazar and Secretary Chu in an effort to spur a collaborative and comprehensive federal effort to support energy development in Indian country.

We look forward to working with tribes, other federal agencies, and this Committee to address unemployment in Indian country. The President has stressed the importance of interagency cooperation, and moving beyond longstanding bureaucratic barriers. It is our hope that this effort will finally develop long-term solutions that break the generational history of unemployment in Indian Country.

In the meantime, the Department of the Interior will continue to be proactive with its resources. We have initiated many programs, projects, technical conferences and training programs to address the lack of employment, and intend to continue these efforts. Our economic development efforts are two-pronged, with an effort to

address broad issues that are common across Indian country, combined with a focused approach to provide individual tribes with support needed to facilitate job creation.

It is unacceptable for many tribal communities in the United States to experience third-world living conditions, and this Administration is unwilling to accept these conditions as the status quo in Indian Country.

Background

American Indians want to honor tribal traditions and culture while achieving better lives for their families. Where provided opportunities, they are willing to work hard to accomplish that goal. Some tribal nations, due to a multitude of factors, have been successful in launching various business enterprises and fostering Indian entrepreneurship. The Harvard Project on American Indian Economic Development ("Harvard Project") at the John F. Kennedy School of Government honors many of these tribes each year.

Despite the success of some tribes, the 2000 Census tells us that real per capita income of Indians is about half of the U.S. level. Many tribes must overcome the sheer remoteness or isolation of their reservations to attract private and public capital to their communities. There is no doubt that this is certainly a factor for tribes that are trying to build a strong on-reservation economic foundation that encourages small business development, establishes markets for goods and services, and develops a skilled workforce.

Although the remoteness of many reservations from markets and services is a partial explanation, it does not explain why Indian joblessness lingers for generations, despite better economic situations in some adjoining non-Indian communities.

While success in improving the economies of Indian communities has been uneven, we believe that we have a clearer, albeit preliminary, understanding of how many have fallen behind the rest of America.

One thing we know for certain is that a "one size fits all" approach does not adequately address unemployment and under-employment on reservations. That is why we are also taking a focused, approach to provide individual tribes with the support needed to identify and nurture economic development opportunities that best fit their resources, workforce, markets, and culture. The soundness of this approach is supported by the work of the Harvard Project.

While each tribal economy is unique, there are a number of common factors that have inhibited tribal job creation. Primary job-development roadblocks include: (1) lack of collateral with which tribes and reservation businesses can obtain capital; (2) lack of a business development environment; (3) lack of physical and legal infrastructure; (4) difficulty in developing natural resources due to multiple governments have regulatory and taxing jurisdiction over development; (5) lack of educational and training opportunities to develop a skilled work force; and (6) lack of access to modern technology. Many of these roadblocks are products of the history of federal-state-tribal relations, and have tribe-specific nuances that must be addressed on a tribe-by-tribe basis.

As history has shown, poverty and joblessness in Indian Country is not predisposed to a "quick fix". It cannot be solved by simply investing dollars and then counting the number of jobs spawned. Many communities need assistance to create a foundation, with economies and jobs from the ground up. Indian reservations often lack the legal and physical infrastructure that are common in non-Indian communities. Until these underlying and pervasive issues are addressed, reservation unemployment will likely remain intractable.

One of the lessons we have learned is that job development policies imposed on tribes never succeed. Therefore, tribes must be the driving force behind federal policies targeted toward job creation in Indian Country, which is consistent with the policy of Indian self-determination.

The Department recently participated in a national roundtable discussion on job creation in Indian Country. This discussion included representatives across various agencies in the Federal Government, reflecting the President's priority of interagency collaboration to address problems in Indian country. More importantly, the discussion included tribal leaders, representatives from intertribal organizations, Indian business developers, and labor organizations. These leaders presented us with their vision and ideas for creating jobs in Indian country.

This administration is seeking guidance and a buy-in from tribal leaders for our job creation and economic development programs; soliciting their counsel regarding which policies are working, and which are foundering. The Office of the Assistant Secretary–Indian Affairs, through its Office of Indian Energy and Economic Development (IEED), is working diligently to mitigate roadblocks that stifle business development and job creation in Indian Country. We have put in place many ap-

proaches to provide tribes and Indian entrepreneurs with the knowledge, tools, and resources necessary to create sustainable businesses and good-paying jobs.

Measuring the Problem and Documenting Success

For the United States to adequately identify and focus on unemployment in Indian country, we must first collect reliable data that will allow us to track progress over time. The Department needs a dedicated Indian Affairs economist who can work with tribal leaders and academics to assess, document, and address unemployment in Indian country. At present, the only tool available to us to measure unemployment on reservations is the national Indian Labor Force Report (LFR), which is intended to be published every other year.

In FY 2009, the Assistant Secretary asked IEED to evaluate, restructure, and publish the LFR in a form that is more accurate and relevant to employment conditions in Indian country. A committee composed of tribal representatives and federal program staff was formed to design a web-based data collection tool to improve the quality of the report. For the first time, the report will collect information on part-time, seasonal, and temporary workers. Previous reports only identified tribal members as employed or unemployed, resulting in incomplete data. The data can now be reported electronically and on-line, and we plan to provide immediate technical assistance by telephone to assist tribal officials in completing the report.

We have provided training for tribes to familiarize them with the new reporting tool and to explain how local data should be collected. The revamped report will be published in a timely manner, will reflect seasonal employment, and will require all tribes to provide current information. As a result of our work to restructure the LFR, we will be able to publish accurate Indian country employment data on an annual basis, which will offer better resolution of employment trends in Indian country. We expect to publish the improved LFR this summer.

In addition to the need for accurate Indian country employment data, there is also a need for adequate information on the underlying causes of unemployment in Indian Country, so we can devise appropriate mitigation strategies.

In May 2007, the Department of the Interior, in partnership with the National Congress of American Indians (NCAI), sought the input of tribal leaders to ascertain employment conditions in Indian country and provide recommendations on economic development at the first-ever National Summit on American Indian Economic Development. This event attracted over 500 tribal and federal leaders, who developed an economic development report that contained 100 policy reform recommendations.

These recommendations have served as a roadmap for developing new programs, providing training, and conducting conferences and workshops. However, we believe that it is time to revisit the report to assess our progress and reaffirm the findings. Therefore, on July 20–22 of this year, we will again join with NCAI to conduct *Economic Summit II* in Minneapolis, Minnesota, to update tribes on our progress in carrying out their prescriptions for economic progress and job creation. We will also use this event to evaluate progress on Indian country economic development, determine if our approaches remain valid, and develop additional recommendations.

Attracting Private Investment to Indian Country

A critical component of job creation in Indian Country is improving tribal access to capital. Ready access to capital markets facilitates business development—both large and small—in virtually all other sectors of the American economy. Access to capital in Indian Country, however, is difficult to obtain because of certain factors related to tribal land and the status of Indian tribes as governments.

Historically, it has been difficult for American Indians to obtain financing. Much of tribally-owned and individual Indian-owned land is held in trust by the United States. While trust land preserves a tribal land base and is essential to Indian economic development, it creates difficulties for using the land as collateral for capital transactions. Moreover, lenders are reluctant to enter into financing agreements with tribes and tribal corporations because of both real and perceived concerns over the status of Indian tribes as sovereigns. Financing options for tribes and their members are often limited by lack of financial expertise, credit, and financial resources sufficient to support business dealings.

The Department of the Treasury (Treasury) conducted a series of workshops, surveys and roundtables to examine Indian access to capital and financial services. Twenty-four percent of American Indians interviewed told the government that business loans were "impossible" to obtain. Treasury's report estimated that the "investment gap" between American Indian economies and the U.S. overall totaled $44 billion. The report also found that, despite the fact that 85 percent of financial institutions on or near Indian lands offer deposit accounts to American Indian residents, half of those institutions provide only ATMs and personal consumer loans.

The Department's Indian Loan Guaranty, Insurance and Interest Subsidy Program seeks to narrow this gap by providing federal guaranties and loan insurance for Indian-owned businesses. It has been in existence since 1974 to help Indian businesses secure financing for economic development. In FY 2009, IEED received subsidy appropriations of $7 million to support guarantees and insurance covering approximately $85 million of Indian loans. This program is the single greatest Federal resource used by tribes and Indian-owned businesses to secure lender financing, despite the availability of other, larger Federal programs.

The Loan Guaranty Program accomplishes a lot with a modest amount. For every $1 million in appropriation it allows approximately $13 million in loan guarantees to be issued. One of the requirements of the program is that the loan guarantee must positively impact reservations or tribal service areas. Therefore, any Indian-owned enterprises obtaining a loan guarantee creates job opportunities in areas of high unemployment. Based upon past performance, each additional $80 million that the program has offered for guaranteed loans can be expected to generate 50 new businesses and create or sustain 1,500 jobs to benefit reservations.

Over the course of 36 years under the Indian Financing Act, the Loan Guaranty Program has administered more than $1.3 billion in loans and loan guarantees. Jobs are sustained when existing businesses have access to capital.

The Loan Guaranty Program has been targeted to reach those Indian borrowers showing the greatest potential for spurring their local economies, whether those borrowers are tribes, Indian individuals, or Indian-owned businesses.

The historic mix of program uses has included many important elements of tribal community development, such as starting or expanding businesses that provide goods and services. They have also included helping borrowers construct and renovate buildings, develop recreational and resort facilities, refinance debt, obtain permanent working capital, and purchase everything from manufacturing facilities to key equipment, real estate, and inventory.

The Loan Guaranty Program helps Indian businesses whether they are starting new businesses, expanding operations at an existing business, revitalizing operations in a changing industry, or rebounding from business troubles. The payoff for all this activity is the creation and retention of jobs with decent wages, and opportunities for advancement in communities not often accustomed to growth and expansion.

By strengthening the economic base of tribal communities, tribal governments located near these businesses tend to progress towards greater independence and self determination. Economic growth on the reservation benefits neighboring non-Indian communities as well.

Indian Energy as an Economic Development Engine

Perhaps the largest opportunity for economic development and job creation in Indian Country today is through development of tribal energy resources. As the members of this Committee are well-aware, Indian Country offers some of the highest renewable and conventional resource potential in the nation. The Department is working with members of this Committee and their staff, as well as officials from the Departments of Energy and Agriculture, to address structural barriers to Indian energy development posed by federal policies.

This Committee has provided great leadership on this issue, and we appreciate Sen. Dorgan's outreach to the Department of the Interior and the Department of Energy to identify points of contact to lead a collaborative effort to address barriers to tribal energy development.

Access to transmission facilities and capital markets are the lynchpins of successful tribal energy development. Historically, tribes have often been relegated to being merely landlords in business projects involving natural resources on tribal lands, as tax and financial regulations provided disincentives to tribal ownership. Many tribes want to share as a partner in sustainable natural resource development.

The Department values the input of tribal leaders. Through many different forums, tribal leaders have communicated to the Department that it is difficult for renewable energy projects in Indian Country to realize the full value of tax incentives Congress put in place to promote their development. Tribal leaders say that because tribal nations, like states, are not taxable entities under the federal tax code, their presence as an equity partner in renewable energy development projects means that fewer tax incentives are available to attract other partners and investors. And, because renewable energy projects rely on tax incentives to be competitive, tribal assumption of an equity stake in renewable projects on their land actually discourages development. The Department continues to listen to tribal leaders and will collaborate with other federal agency partners to address issues related to energy development projects. The Administration would like to find a solution that

would allow tribes to monetize these tax incentives, and become full partners on renewable energy projects developed on tribal land. A solution in this area would spur immediate and significant development of renewable energy resources for the entire nation, and quickly increase job growth in Indian country. The Administration is exploring ideas for how to address these issues.

In addition to lacking access to capital for energy investments, many tribes also lack ready access to energy transmission facilities. Again, this dearth of transmission infrastructure in Indian Country impedes job growth, as well as development of rich energy resources.

The Administration has made building a cleaner, safer, and more efficient national energy grid a top priority. This effort will directly generate countless jobs and facilitate the growth of private businesses, including Indian-owned businesses. Tribal nations will and should play an integral role in improving our energy system.

On January 11th, Assistant Secretary Echo Hawk announced a series of tribal energy transmission system planning workshops over the next several months in Albuquerque, NM; Portland, OR; Bismarck, ND; and Phoenix, AZ. These workshops will be conducted by IEED and the Bureau of Indian Affairs Office of Trust Services, working in partnership with the Argonne National Laboratory.

These workshops will help tribal leaders and tribal resource managers develop energy transmission corridors, so that tribes can be a major player in building a 21st Century power transmission grid. These two-day workshops will provide information and guidance on planning and developing corridors for energy transmission system projects on tribal lands, including both electricity transmission and pipeline projects.

IEED has also joined with the Inter-Tribal Council on Utility Policy (ICOUP) to provide training and assistance on the installation of wind machine towers and turbines. And we have collaborated with ICOUP to provide tribal members with training on building affordable, green, energy-efficient housing using straw-bales—an agricultural waste product readily available in the Great Plains. One of our objectives with these initiatives is to spur the development of Indian-owned "green" businesses.

Tribal Development of Natural Resources

In addition to energy development, sustainable development of other natural resources on tribal lands is another bright prospect in the Indian economic development landscape. Development of these natural resources can provide good, long-term jobs in tribal communities.

Indian Affairs manages 18.5 million acres of forests on Indian trust land, of which 5.7 million acres is being developed for commercial purposes. In FY 2008, 485 million board feet of timber was harvested which resulted in $50 million in Tribal and individual Indian income. Eighty percent of this work was performed via P.L. 93–638 contracts and self-governance compacts with tribes.

The Indian Forestry Program is renowned for its sustainable operations. In addition, this program serves as the driving economic force in many communities. Some tribes own their own sawmill operations. When a sawmill component is added to the forestry preparation work, logging, trucking and follow-up forestry activities, tribal forestry and related activities can be the largest employers of some regions. However, like other forestry efforts, tribal forest programs have suffered from a dampened demand for raw wood products. The Department is looking for ways to sustain these job skills until the market rebounds.

In addition, some tribes have developed additional forest products companies, such as plywood plants, that allow tribes to climb higher on the value chain and generate more jobs. Also, if a tribe builds an associated biomass cogeneration facility for wood waste, it can enhance the economics of the project by producing some or all of the energy it will require.

Supporting Indian Entrepreneurship on Reservations

Tribal leaders say that fostering Indian entrepreneurship is a critical component to successful economic development. Small businesses are the nation's leading generator of jobs. But this has not been the case for American Indians. Unfortunately American Indians have not been able to establish a significant number of small businesses. According to a 2003 report by the Kauffman Center for Entrepreneurial Leadership, "Native American owned and started the fewest small businesses of all minority groups in the U.S."

The Assistant Secretary's Office, through IEED, is developing reservation entrepreneurship on several fronts by: (1) Assisting tribes to improve legal infrastructure that will foster business creation; (2) Educating Indian youth in entrepreneurship and financial literacy; and (3) Providing training and other technical assistance to Indian business owners.

To facilitate tribal business formation, IEED sponsors workshops to inform BIA tribal operations personnel, and tribal managers and attorneys how Indian Reorganization Act (IRA) Section 17 corporate charters are prepared and approved. These charters enable tribal businesses to preserve tribal assets while maintaining tax immunity. In addition, we are working with tribes to develop long-term, comprehensive community plans to pave the way for business start-ups. Last fiscal year, we collaborated with the NCAI to hold a series of conferences throughout Indian country on reservation planning that will provide us information to develop technical assistance programs for tribes. We anticipate publication of a report on the findings of these conferences in the next few months.

As described above, myriad factors impede the success of Indian entrepreneurs. The report from the 2007 Economic Summit recommended that all American Indian youth learn basic financial and business concepts, beginning as early as kindergarten. In response to these recommendations, IEED has funded a Native Community Development Financial Institution (CDFI) to develop a financial literacy and entrepreneurship training curriculum for American Indian K–12 students in South Dakota.

To date, the program has established teacher training institutes at five reservation schools. Forty-seven South Dakota American Indian students have completed financial literacy internships. More than 1,000 Native American students took part in the Program's Youth Entrepreneurship Fair, where they learned hands-on business start-up skills.

IEED also sponsored entrepreneurial training projects at seven Native American high schools and funded students from the Pine Ridge and Cheyenne River Sioux reservations to attend the Native American Youth Entrepreneurship Camp, conducted by the Udall Center's Native Nations Institute at the University of Arizona. This camp teaches students how to build private-sector enterprises in Indian country, while conducting student visits to Indian-owned businesses and arranging meetings between students and business owners.

We have been working one-on-one with Indian business owners to open their doors—and keep them open. For example, the Native American Natural Foods (NANF), manufactures the Tanka Bar and other bison-meat-based products on the Pine Ridge Reservation in Kyle, South Dakota. IEED provided an Indian Affairs Loan Guaranty that helped NANF launch a national brand. In addition, we provided funding for 16 tribal members to receive management and marketing training. Twelve of these trainees have since obtained jobs with NANF, while the others were hired by a non-profit organization. All of these jobs are located on the Pine Ridge Reservation, one of the poorest areas in America.

NANF is just one example out of hundreds, where IEED has provided Indian CEOs and entrepreneurs an opportunity to attend an intensive, three-day executive education courses offered by the top-rated Tuck School of Business at Dartmouth College. These courses focus on helping Indian CEOs recognize and overcome common operational and financial pitfalls encountered by small business owners. This fiscal year, 2010, we are offering these training sessions in Boston, Dallas, and Anchorage and expect to reach from 100 to 150 Indian CEOs and entrepreneurs.

IEED has also conducted workshops in Indian country on how to form Small Business Administration 8(a) businesses and capitalize on federal procurement and Buy-Indian opportunities.

The Office of the Assistant Secretary has worked with the CDFI Fund within the Treasury Department to promote the establishment of CDFIs in tribal communities. CDFIs are an effective means to provide seed money to entrepreneurs in tribal communities. They also allow tribes the flexibility to meet business lending needs that are unique to their communities. Through our own programs, we are able to provide support to tribes seeking to establish these lending institutions, in addition to providing direct support to the CDFIs themselves.

Lastly, we have delivered some of these job development programs by way of what we call "Indian economic development incubators," focusing all of our job training and development initiatives on a particular state or region for a specific period of time. We have launched these "incubators" in South Dakota, Montana, and Maine. We have found this to be an effective means of jump-starting entrepreneurs in finite geographic areas. In FY 2011, we will be selecting another area of Indian Country in which to launch these incubators, and hope to continue to expand this program throughout Indian country as resources become available.

Supporting Tribal Business Development

The Department is also helping tribes develop market and feasibility studies to determine which kinds of reservation business start-ups are likely to prosper in their respective environments. To that end, we initiated the Native American Busi-

ness Development Institute (NABDI) to link tribes with distinguished business and engineering graduate schools to study proposed projects before tribal members invest time and money in them, and work with tribal leaders to identify legitimate business opportunities. To date, we have worked with 14 graduate schools to perform 24 separate marketing and feasibility studies. These studies have assisted tribal leaders in making sound decisions on start-ups, and avoiding mistakes that might otherwise lead to marketplace failure. We are exploring the possibility of expanding this program by integrating tribal colleges and universities, which have a ground-level understanding of the economic conditions in Indian Country.

Improving Information Infrastructure and Legal Infrastructure in Indian Country

The Department recognizes as well, that reservation entrepreneurs are hard-pressed to succeed without access to information technology and the skills to take advantage of that technology that will allow them to compete on a global playing field. Information technology is critical to mitigate the geographic isolation of many tribes. Nevertheless, many remote tribes do not enjoy access to high speed broadband internet use.

The Department of Commerce, Department of Agriculture and Federal Communications Commission have several current initiatives to provide broadband access in rural America. The Department of the Interior supports these efforts for Indian Country and we will work to assure that rights-of-way for broadband facilities are quickly evaluated and approved on trust land administered by our offices.

We have also teamed with IBM, Wal-Mart, and the Burlington Northern Santa Fe Railroad to develop computer technology centers at seven reservations. At each of these locations, IEED-sponsored trainers use computer hardware and software donated by corporate sponsors to provide tribal members with training that will help them take advantage of information technology and compete in a global marketplace. These centers have become valuable assets for these tribes and we are continuing to look for other partners in the private sector to continue this effort.

With respect to legal infrastructure, many potential investors in Indian Country are deterred by real and perceived concerns about tribal political systems. Attracting private business investment in Indian Country requires a continuous process of educating developers and investors about basic legal principles applicable to tribal nations and their lands. Many tribal leaders and Indian business developers have successfully worked with private companies, from large investment firms to smaller businesses, to allay their concerns and attract business development—and jobs, to Indian Country.

Nevertheless, sound legal systems are critical to establishing a climate in which job growth is possible. IEED has provided funding for a dozen tribes to explore adopting the model tribal secured transactions code developed by the Committee on Liaison with Native American Tribes of the National Conference of Commissioners on Uniform State Laws, which is an association that encourages uniformity of certain laws. Tribes can adopt and amend this code to fit their own needs and values, while providing commercial legal systems familiar to many job-creators.

As a result of this funding, the Oglala Sioux Tribe signed a ground-breaking agreement with the State of South Dakota for administration of commercial transaction filings under the tribe's new code. This was the first such tribal agreement in the history of the state. We believe that other tribes will follow the Oglala Sioux Tribe's example by adopting their own commercial codes.

We will continue to use small grants to enable tribes to evaluate, modify and, ultimately, adopt uniform commercial codes into tribal law, smoothing the flow of commerce on reservations.

Training Skilled Work Forces

We are developing partnerships with tribes-through the Pub. L. 102–477 initiative—on a nation-to-nation basis to develop creative and innovative training programs that provide participants with work skills that lead to well-paying careers. The "477" initiative allows tribes to develop their own employment, training, education, job creation, and related services programs for their own communities. Tribal Nations develop their own programs based upon their own needs. In addition, U.S. Department of Labor provides funding to the 53 tribal grantees administered by the U.S. DOI's PL 102–477 to develop tribal employment and training programs on Indian reservations and Alaska Native communities. The U.S. Department of Labor's Employment and Training Administration, under Section 166 of the Workforce Investment Act of 1998, funds and administers more than 178 employment and training grants to Indian Tribes, Tribal Consortiums, and Tribal Non-profits.

Rebuilding America's infrastructure will require the skills of thousands of working men and women. To address this opportunity, IEED and the United Association of Plumbers and Pipefitters entered into a partnership agreement to initiate a pilot project to train tribal members to become certified welders, plumbers and pipefitters. This project is a demonstrated success.

Chicago's Local 597 and Phoenix's Local 469 were the first to provide hybrid welding training for Indian apprentices. The payoff has been enormous. Graduates of these programs are rated as two-year apprentices. They have a 100 percent job placement rate, earning about $20 per hour to start. One of the recent graduates of the construction training went from being on general assistance to a job that paid him $27 per hour.

IEED has also been part of a long-term collaboration with the National Indian Iron Workers Training Program to conduct training in four, 12-week long sessions, graduating about 100 Native Americans annually who are qualified for skilled employment. Since 1972, this program has trained, graduated and placed 2,084 individuals in well-paying jobs that currently rebuild our Nation's infrastructure. As with the plumbers and pipefitters program, placement is 100 percent.

IEED estimates that it can train and place about 450 American Indians and Alaska Natives per year for the next four years to fill these jobs in the skilled trades. IEED's data indicates that it costs between $5,000 to $10,000, depending on location, to supply the job skills necessary to move an individual from general assistance to a well-paying job.

The Department is working to expand this pilot project into the other 13 building trades, in partnership with the National Association of Building Construction Trades. This agreement encourages work with all of the 13 building construction trades to train and place American Indians and Alaskan Natives in life-long careers—not just short-term jobs. Billions of dollars of work on and near Indian reservations are pending and tribal representatives want their tribal members to be prepared to take on those jobs.

As a result of our work with the National Association of Building Construction Trades, we have developed a formal agreement with the United Association of Plumbers, Pipe Fitters, Sprinkler Fitters and allied trades, (UA).

Now that we have demonstrated its value and have gained some experience, we are beginning to work in cooperation with tribal colleges and provide training on reservations. Our Energy Auditor Training program, funded by the American Recovery and Reinvestment Act started on January 4, 2010, and is located at the United Sioux Tribes Technical College, attracting students from across the country. Upon successful completion of the training, graduates will be placed to work on Indian reservations on residential and commercial projects to reduce reliance on nonrenewable energy sources. Another example is our project on the Lummi Nation Reservation—a tribally-owned welding training company.

Our work with tribes and the skilled trades has expanded to the International Union of Bricklayers and Allied Craftworkers, the United Union of Roofers, Waterproofers and Allied Workers, and the International Brotherhood of Electrical Workers. We are currently meeting with other skilled trades in hopes of creating training opportunities for Native American commercially licensed drivers and heavy equipment operators.

The skilled trades provide real wages for real work with benefits such as annual and sick leave, medical insurance, on-going training and life insurance. These projects provide services to the community that lack careers with nationally certified skills.

Our job-training efforts are being done in partnership with the Council for Tribal Employment Rights and the Native Construction Careers Institute, both of which have been active leaders in supporting job creation throughout Indian country. The U.S. Department of Labor, U.S. Department of Education and the U.S. Department of Health and Human Services are also active leaders in supporting job creation in Indian Country.

We are also planning to include additional advanced training programs to include other occupations, such as Advanced Certified Nursing Assistance. We know that there is a vast shortage of medical professionals in Indian country, which is continuously confirmed by Tribal leaders.

Conclusion

Once again, the Department looks forward to working with other federal agencies, this Committee, tribal leaders, and the academic community to address chronic joblessness in Indian country. This collaborative effort will allow us to implement solutions at the national, regional, tribal, and community level. It is only through this

type of collaboration, and a nation-to-nation relationship with Indian tribes, that we can succeed in spurring economic development and job growth in Indian country.

This concludes my statement. I would be happy to answer any questions the Committee may have.

The CHAIRMAN. Deputy Assistant Secretary Laverdure, thank you very much for your testimony. With your permission if it is all right, I would like to call up the other four witnesses to join you, and then have them present testimony, and then ask questions of all of them. That is a little bit of a departure from the way we would normally do it, but I think in light of the two votes that will occur soon, I want to do it that way.

Jefferson Keel, President, NCAI. Jefferson, thank you very much for being with us today. The Honorable Harvey Spoonhunter, Ms. Gloria O'Neill, Mr. Conrad Edwards. I have previously introduced the four of you.

Let me begin with Jefferson Keel, the President of the NCAI. Thanks for all of your work, Mr. Keel. It is so nice to have you in front of the Committee again.

I will say for all of you that your permanent statement will be made a part of the permanent record, and you may summarize your testimony today.

Mr. Keel, welcome. Why don't you proceed?

STATEMENT OF HON. JEFFERSON KEEL, PRESIDENT, NATIONAL CONGRESS OF AMERICAN INDIANS

Mr. KEEL. Thank you. Senator, Members of the Committee, thank you for holding this important hearing. This is, indeed, an important event for Indian Country and I want to thank you on behalf of the National Congress of American Indians.

I also want to thank you for your continued championship of and your support for Indian Country. It is very important to us. I am very sorry to hear you leaving, Senator, but hopefully it will be a Bret Favre move and you can change you mind anytime.

[Laughter.]

Mr. KEEL. Senator, as you mentioned in your opening remarks, the creation of jobs in Indian Country is an important event. This Committee is certainly aware of the severe unemployment crisis in Indian Country. The Congress and the Administration needs to know as they move to address the Nation's unemployment crisis, as you mentioned, that the unemployment rate exceeds 50 percent in Indian Country.

So getting to 10 percent that the President mentioned last night in his State of the Nation address, the 10 percent crisis or unemployment rate in America, getting to that rate would be a recovery of historic proportions for Indian Country.

Indian reservations have been dealing with the ripple effects of depression-like unemployment rates for decades. Effects like high suicide rates, poor health and high crime, all have been frequent topics of this very Committee's agenda.

We need a long-term fix. It is absolutely imperative that a jobs bill developed with the help of this Committee consider placing reservation economies on the road to recovery. Now is not the time to simply create short-term jobs that run out when the grants expire or the funding dries up.

We must put forward bold solutions that match the severity of the crisis. We need to make sure that infrastructure monies are spent on programs that put our ready labor force to work, while building long-term foundations for future growth, programs like putting our people to work on building our schools that will educate tomorrow's leaders, or programs that put our people to work building roads that will pave the way for attracting businesses to our communities, and finally making sure our workers are building tomorrow's infrastructure to meet the competitive demands of the new economy in areas like energy and telecommunications.

Creating jobs and building our infrastructure for future growth is vital. However, sustaining the growth beyond the Federal investment means access to capital and incentives. We can no longer accept seeing wealthy county governments receive taxpayer-subsidized rates and terms when they borrow money for economic development, while tribal governments have to receive higher rates with shorter terms; or private investors reaping the rewards of accelerated depreciation and tax credits, while tribes come to the table empty handed.

We can no longer accept insurance company redlining of reservations for surety bonding purposes or rating agencies' increasing our payments simply because they are unfamiliar with tribal governments and the meaning of sovereignty. We need loan guaranties for tribal governments that will, at the very least, open the door to credit, reasonable rates, and the ability to repay tax-exempt debt.

Finally, Congress should consider simple and long overdue legislative fixes that will open existing programs and services to tribal governments. These low-cost solutions would ensure tribes are included in the programs and services that other governments use to benefit their citizens and grow their economies.

Tribes have been inadvertently left out of programs to advance energy independence, create and maintain clean water resources, and core education initiatives like the Administration's Race To The Top. These fixes are needed now to give our governments the same tools and advantages that other governments of our great Nation receive.

When Congress invests in Indian Country, we have proven to be good investments. We can put our labor force to work right away, build our infrastructure for future growth, and that benefits the surrounding communities as well.

Most important, it improves the health and well being of our citizens. That is the goal of every government. Senators, the time is now to boldly place our reservation economies on the path to recovery with the rest of the Nation.

I want to thank you for your time.

[The prepared statement of Mr. Keel follows:]

PREPARED STATEMENT OF HON. JEFFERSON KEEL, PRESIDENT, NATIONAL CONGRESS OF AMERICAN INDIANS

INTRODUCTION

The National Congress of American Indians wants to thank the Senators of this Committee for holding this very important and timely hearing. Creating jobs in Indian Country should be a top priority, not just for this Committee, but for the nation as a whole.

We hear from politicians, the media and economists almost every day that our nation's unemployment rate, at just over 10%, is a national crisis. Last night, during the President's State of the Union address, we heard that the economy, and specifically creating jobs, was going to be a top priority for this Administration.

We may not need to remind this Committee about the severe unemployment crisis in Indian Country; but Congress and the Administration does need to know, as they move to address the nation's unemployment crisis, that the same 10% unemployment rate considered a crisis for America, would be a recovery of historic proportions for Indian Country.

Reservations have been dealing with the effects of Depression-like unemployment for decades -- effects like high suicide rates, poor health, and high crime. All of these effects have been frequent topics on this very Committee's agenda. The recession has hurt employment on many reservations, but more importantly it has also stopped the growth that we were beginning to see in recent years.

It is absolutely imperative that a Jobs Bill, developed with the help of this Committee, assist in placing tribal economies on the road to recovery. Now is not the time to simply create short term jobs that run out when the grants expire or the funding dries up. Now is the time to put forward bold solutions that match the severity of the crisis.

We need to make sure that infrastructure monies are spent on programs that put our ready labor force to work while building long term foundations for future growth. Programs like putting our people to work on building our schools that will educate tomorrow's leaders. Or, programs that put our people to work building our roads that will pave the way for attracting businesses to our

communities. And, finally, making sure our workers are building tomorrow's infrastructure to meet the competitive demands of the new economy in areas like energy, and telecommunications.

Creating jobs and building our infrastructure for future growth is vital. However, sustaining growth beyond the federal investment means access to capital and incentives.

We can no longer accept seeing wealthy county governments like Montgomery in Maryland or Fairfax in Virginia – both surrounding this Capitol – receive taxpayer subsidized rates and terms when they borrow money for economic development, while tribal governments have to receive rates with shorter terms.

We can no longer accept private investors reaping the rewards of accelerated depreciation and tax credits while tribes come to the table empty handed.

We can no longer accept insurance company redlining of reservations for surety bonding purposes or rating agencies increasing our payments simply because they are unfamiliar with tribal governments and the meaning of sovereignty. We need bold loan guarantees for tribal governments that will, at the very least, open the door to credit, reasonable rates, and the ability to repay tax-exempt debt.

Finally, Congress should consider simple and long overdue legislative fixes that will open existing programs and services to tribal government. These no-cost solutions would ensure tribes are included in the programs and services other governments use to benefit their citizens and grow their economies. Tribes have been inadvertently left out of programs to advance energy independence, create and maintain clean water sources and core education initiatives like the Administration's Race to The Top. These fixes are needed now to give our governments the same tools and advantages as the other governments of our great nation.

When Congress invests in Indian Country, we prove to be good investments. We can put our labor force to work right away, build our infrastructure for future growth, benefit surrounding communities, and most important, improve the health and well-being our citizens – the goal of every government. Senators, the

time is now to boldly place our reservation economies on the path to recovery with the rest of the nation.

THE NATIONAL CONTEXT

Americans are demanding less spending, lower budget deficits and, of course, jobs. These demands come at a challenging time for all governments.

Consumer and business spending has decreased substantially, leading to a decrease in tax revenue for governments. Adding to state and local government woes is reduced revenue from property taxes, which have declined along with the collapse of real estate values. Last year, a record 2.82 million homeowners could not meet their mortgage obligations or simply walked away from homes that were worth less than the amount owed. These foreclosures ensure home values and, consequently, state and local government revenue from property taxes will remain depressed for some time to come.

With local and state government revenue constrained along with consumer and business spending, the federal government has implemented targeted spending in an effort to navigate the complex financial crisis, real estate asset bubble and what is being termed the Great Recession. This spending took the form of a $787 billion stimulus package of tax cuts and increased spending, a $50 billion auto industry bailout, a $1 trillion backing to the housing sector and nearly another $1 trillion in monetary stimulus.

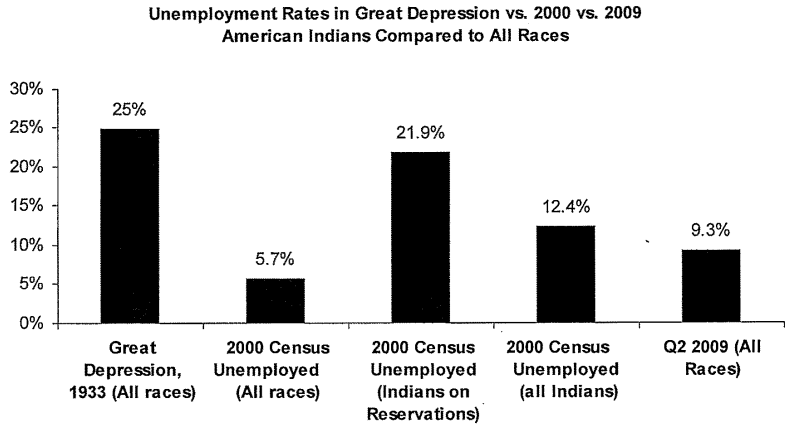
Federal spending and actions may have averted a financial crisis, slowed the housing meltdown and, quite probably, prevented a steeper recession; however, the national unemployment rate stands at over 10 percent not counting those who have given up looking for employment. With a financial and housing crisis averted, the federal government must turn its full attention to addressing the economic causes that resulted in 7.2 million Americans losing their jobs in 2009, the largest loss on record in post World War II America. Causes, such as a tightened credit market, retracting business and consumer spending, and constrained non-federal government spending.

As the Senate addresses the causes of the current double digit unemployment rate, it is imperative that the economic concerns of tribal governments and their

citizens are included in the current economic restoration focused on jobs creation. Tribal governments have experienced the effects of declining revenue during the economic downturn and have been wrestling with exceptionally high unemployment on reservations for decades. These challenges are formidable enough for any elected official; however, tribal governments often rely on revenue from economic development for needed citizen programs and services, and are often asked to meet these challenges with fewer resources and with greater restrictions placed on important economic financing tools and incentives.

ECONOMIC CONDITIONS OF THE RESERVATION ECONOMY

For generations, tribal communities and Native people have faced economic conditions that are more pronounced than those of the current economic crisis. Economists and policy-makers worry as the national unemployment rate climbs above ten percent while data shows Indian communities have wrestled with the far-reaching impacts of an unemployment rate well above ten percent for generations, and as the last full census of 2000 indicates, unemployment on reservations was recorded at twenty-two percent. During the Great Depression, the unemployment rate reached twenty-five percent, making the assumption that tribes are mired in a recession not entirely accurate, since reservations are dealing with Depression-like conditions.



The 2000 Census, the most reliable and complete source of Native American economic data, reported the per capita income for American Indians and Alaska

Natives living on reservations at $7,942, merely one-third of the $21,587 recorded as the U.S. average for all races. The poverty rate for Indian families on reservations is thirty-six percent, which is two and a half times the national average.

Households in Indian communities reflect the pronounced challenges of persistent poverty. Eleven percent of Native households lack kitchen facilities, seventeen percent lack telephone service, and twelve percent lack complete plumbing. These percentages stand in stark contrast to U.S. households, which count only one percent of the overall population without the same facilities. Only half of reservation homes are connected to public sewer lines, and, because of the persistent lack of housing, Native homes are almost three times more likely to be overcrowded than the national average.

These substandard economic and quality of life indicators have a social toll as well. Health disparities are prevalent, and suicide rates - a symptom of lack of opportunity - are too high, with over 60% more incidents than the national average. Alcoholism on reservations and diseases like tuberculosis are both over 500% higher among Indians.

EFFECTS OF SPENDING AND HOUSING DECLINES ON RESERVATION JOBS

The decline in consumer and business spending during this Great Recession has had a direct and substantial impact on tribal government revenue and jobs in Indian Country. Tribal gaming is one of the more significant economic drivers for many Indian tribes and, as a consequence, one of the largest sources of local jobs for tribal and non-tribal citizens alike. Gaming also serves as a needed revenue stream for government services.

While relatively few tribes have prospered through gaming, there is a perception by the American pubic and some in Congress that gaming has created wealth in tribes all across the country with a few tribes excepted. This perception could not be further from reality. The gaming industry, for most tribes, serves a role, not as a significant profit center, but as a local jobs creator for the vast majority of tribes that have chosen to pursue gaming.

Since the recession began, tribes have seen their revenue from gaming decrease or slow considerably in most regions of the country. To a greater extent, those tribes that serve as destinations have experienced the greatest impact to revenues. Travel budgets were one of the first expenses to be cut by businesses and consumers stayed closer to home. This trend followed that of Las Vegas, which is currently experiencing the highest rates of unemployment and the steepest decline in housing values in the nation.

Tribes that relied on local markets have also experienced slowing or declining revenue. Discretionary spending tightened as the recession wore on. Revenue derived from local gaming markets declined as a result.

The decline in business spending, travel budgets and discretionary spending meant tribes were forced to cut expenses, spend less on business services, lay off workers downsize government programs, and cut back on government services to their citizens. These results related to the economic downturn not only impacted local and regional gaming jobs, but businesses and jobs in the hospitality, food service and other businesses tied to tribal gaming.

The declining housing market has had a similar effect on tribes relying on timber sales. The Colville Confederated Tribes in the state of Washington has relied on the sale of timber for jobs and government revenue. As the housing market collapsed, the demand for the reservation's timber collapsed as well. It is now more costly to produce a board foot of lumber than the market will bear. Approximately 400 jobs were lost as a result.

Economic Dependence

Tribal economies are reliant on diverse industries for much-needed government revenue; making them much more reliant on economic revenue and more at risk during economic fluctuations than other governments. This reliance and focus on economic development and opportunities has developed out of necessity. Tribal governments have been historically underfunded leaving tribes creatively manage contract support costs and develop other partnerships, private and non-profit, to fill needed gaps in funding.

Economic development offers tribal governments the opportunity to supplement government programs and, in economically successful tribal governments, the opportunity to offer education, cultural, infrastructure, health and other quality of life programs is on par with other successful governments.

Indian Country is at a critical point as the nation considers ways to promote jobs and work toward economic recovery. When tribes have the necessary tools to exercise their inherent right of self-government, the results include strides toward improving the health and social and economic well-being of Indian Country.

The lack of adequate federal funding and tools supporting tribal governments and Indian programs has prevented tribes from taking full advantage of the Indian Self-Determination and Self- Governance Acts. The American Recovery and Reinvestment Act of 2009 (Recovery Act) is providing Congress and the Administration with an existing study on the effects of federal investment into Indian Country. Tribal governments received almost $3 billion in direct programmatic funding and another $2.4 billion in financing authority. NCAI has conducted interviews, developed tribal case studies and received direct tribal leader input that reveals some interesting and notable advantages to investing in tribal governments to create jobs and promote economic development.

* Targeted Direct Funding

Tribal governments received a majority of Recovery Act funding through pre-existing funding mechanisms. This meant the federal government, when including tribal governments as part of the economic recovery, could specifically direct funding to programs that could provide the biggest impact and meet the objectives of the Recovery Act. For example, funds to spur housing renovation and construction could be disbursed quickly and effectively through an existing Native-specific formula-funded program within the department of Housing and Urban Development. The Administration's focus on energy efficiency meant the same agency could utilize an existing flexible grant program to accomplish the objective and have the money disbursed quickly.

* Abundance of Projects Ready for Funding

Tribal governments, with a legacy of underfunding, had an extensive backlog of projects that could be undertaken if funding opportunities became available. In fact, as a few case studies revealed, some Recovery Act projects that were funded were planned over a decade ago. While there were plenty of tribal projects ready for execution, many tribal departments with little resources for planning saw the opportunities for consideration pass.

* Ready Workforce and Impressive Job Creation

Tribal governments wrestle with the highest unemployment rates in the nation. When opportunities arose for infrastructure development and other initiatives, there was a plentiful and ready workforce. This was apparent in reservations like Colville in Washington where the downturn in the housing market led to a steep decline in the Tribe's timber-reliant economy. Over 400 workers lost their jobs as a result of the downturn, adding to the already high unemployment rate of 50 percent. Less than half of those lost jobs were restored to the large transportation projects funded under the Recovery Act.

In economically-depressed reservations, jobs were created immediately with Recovery Act funding. Construction of schools, housing and roads employed an impressive number of people for the money spent. For example, the Choctaw of Oklahoma is on target to creating 240 jobs in the New Year from building elder housing. That amounts to an impressive $35,000 investment per job.

Although the secondary jobs are not accounted for in the Recovery Act reporting, tribes that had an influx of construction and other workers shed even more workers from the unemployed rolls when related business like hotels and restaurants hired to meet the new demand. Navajo Rough Rock Indian School demonstrates this point very well. Hotels filled up and related businesses hired. Approximately 80 percent of the materials and supplies used for construction were sourced locally.

* Tribes Serve as Economic Drivers for Surrounding Communities

Rural America benefits when tribes are funded. Tribes are often located in rural communities and when federal investments are made to those tribes, the surrounding communities benefit. In the case of the Colville Reservation, a joint

venture was formed with a nearby construction company to work on roads. In the case of the Navajo, workers from surrounding towns found employment, and in the case of the Nisqually Indian Tribe, contracts from the Recovery Act meant training for residents in over a dozen other tribal and nearby communities.

* Foundations Created for Long-Term Growth

The scarcity of investment and the lack of basic infrastructure have created a poverty trap for reservations, with the absence of one perpetuating the absence of the other. Federal infrastructure investments in roads, telecommunication, energy, housing, education, and health care all create the foundations for economic growth needed for future development. Workforce development in the form of new on-the-job skills training is an additional benefit for tribes dealing with high unemployment rates and limited budgets for training programs.

* Community Benefits Beyond Jobs

One of the reoccurring points of discussion with tribes was the magnitude of secondary benefits the stimulus provided to their respective communities. The Navajo Rough Rock School superintendent was pleased the school construction project allowed both parents to remain in the community knowing the effect of having both parents at home and involved in the child's life. He fully expects test scores to improve as a result. Perhaps more dramatic were the multiple benefits realized from the Choctaw Elder Housing Program. Workers returned to the community filling churches, attended sports programs for their children and frequented local businesses. In addition, elders, who occupy a central cultural role in the community can remain at home in independent living facilities and interact with friends, family and youth passing on their rich cultural traditions to the next generations.

Chronic underfunding by the U.S. Government and severe lack of private investment has left the economic potential of Indian Country unrealized. The Recovery Act provides a glimpse of what is possible.

ACTION REQUIRED

To level the effects of reduced business and consumer spending, a housing and credit crisis, and Great Depression-level unemployment on tribal governments, Congress should consider 1.) Making direct, cost-effective infrastructure investments; 2.) Providing appropriate financing tools and tax incentives, and 3.) Dismantling existing barriers for tribes to fully utilize programs and services.

1. Direct Federal Investments

With extremely high unemployment, a ready work force, an abundance of projects ready for funding, and a targeted funding stream, tribal governments are uniquely positioned to make the most of federal investments designated for immediate job creation. The two areas suitable for creating immediate jobs and a ready work force are community-based infrastructure investments and Workforce Investment Act programs targeted toward flexible tribal training and hiring initiatives.

Broadly distributed infrastructure funding to tribal communities had the effect of creating the greatest number of jobs for the investment. For example, direct funding in transportation and housing resulted in increased jobs and business opportunities - for tribal members and local communities alike - while meeting needs that have gone underfunded for decades.

- [See attached Jobs Creation for Reservation Economies – Infrastructure and Workforce Investment]

2. Finance Tools and Tax Incentives

Tribal governments rely on economic development to supplement valuable programs and services that have been historically underfunded. It stands to reason that tribes should be given all of the tools and incentives available to other governments to raise and attract capital. Tribal leaders are confronted with many of the same challenges that other government leaders face in this country but are not authorized to utilize the same government tools and incentives to grow their local economies. This is especially important given tribal reliance on economic development and the lack an adequate tribal tax base to provide basic citizen services.

- [See attached Jobs Creation for Reservation Economies – Investment Incentives and Access to Capital]

3. Fixes to Access Existing Programs

Regulations and legislation designed to meet the needs of state and local governments in a wide variety of programs often leave tribal participation uncertain or left out. While this was not the intention of the legislation or regulations, fixing the lack out clarity or unintended exclusion is an effective means of including those economies in greatest need of funding. NCAI has assembled a list of opportunities for tribal government inclusion.

- [See attached Jobs Creation for Reservation Economies – Legislative Improvements]

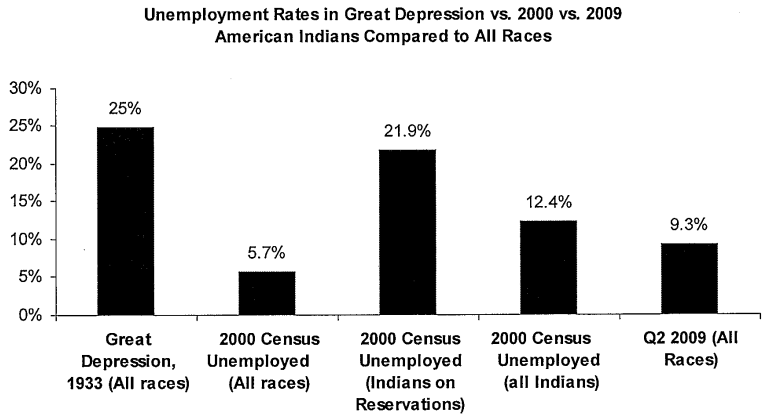
Indian Country has shown its resilience during difficult economic times for decades. As the rest of the nation moves toward recovery through jobs creation, it is incumbent upon Congress to make significant investments in Indian Country, authorize access to government financing tools and incentives and provide simple legislative fixes to previous oversights that have left tribal governments out. These investments, authorizations and fixes will help tribal governments and citizens realize their potential.

Attachments:

1. Jobs Creation for Reservation Economies: Investing to Create Sustainable Jobs and Tribal Economies
2. Fact Sheet on Unemployment in Indian Country
3. A Brief Note on Joblessness in Indian Country
4. Sources of Labor Force Data for the On-Reservation Indian Population

Fact Sheet on Unemployment in Indian County
January 6, 2010

The unemployment rate for American Indians on reservations was 21.9 percent in 2000, 12.4 percent for all American Indians on- and off-reservation, compared to the rate of 5.7 percent for all races, according to the 2000 Census. The peak of unemployment during the Great Depression was 25 percent, just 3 points higher than the rate for reservation Indians in 2000. The figure below compares unemployment rates from the Great Depression for all races to the 2000 rates for Indians on reservation, the rate for all Indians and the rate for all races in the second quarter of 2009.



2000 data derived from U.S. Census Bureau, Census 2000 Summary File 3.
Q2 2009 data is from Economic Policy Institute estimates available at: http://www.epi.org/page/-/unemployment_by_quarter%20%282%29.pdf
1933 data derived from *Historical Statistics US* (1976) series D-86 at: http://www.bls.gov/opub/mlr/1984/11/art3full.pdf

Excerpts below from the paper *A Brief Note on Joblessness in Indian Country* outline the differences between available data sets on American Indian unemployment:

According to the most recent data published by the US Bureau of Indian Affairs, the rate of joblessness on American Indian reservations and in Alaska Native villages was a staggering 49%.[1] Over the last decade, this rate has not been significantly below 50% with the exception of one year.[2] The rate is calculated on the basis of the total available

[1] US Department of the Interior, Bureau of Indian Affairs, Office of Indian Services. (2005). *2005 American Indian Population and Labor Force Report.*
[2] See the BIA American Indian Population and Labor Force Reports for 1997, 1999, 2001, 2003 and 2005.

work force, including those who do not actively seek work because they know that none is available in their community.

Reservations in some parts of the country show joblessness rates that are much higher. Indian joblessness on reservations in the Northern Plains was calculated by BIA as averaging 77%. Reservations in the Northern Rockies showed an average rate of 67%, while those in most of Arizona, Utah and Nevada averaged a rate of 63%.

These rates are many times higher than is the unemployment rate for the country as a whole. With a recession now officially one year old, the US Bureau of Labor Statistics reported that the national unemployment rate in November was 6.7%.[3] Economists are concerned that it may rise to nearly 10% in the coming months. The rate has been high enough to trigger the federal government to consider or enact economic stimulus programs running to as much as several trillion dollars.

Yet the national unemployment rate pales in comparison to the severity of joblessness in Indian Country.

Even the broadest measure of joblessness for the US population as a whole does not come close to the rate for Indian Country. The so-called U-6 alternative measure of labor underutilization, which includes discouraged workers, others only marginally attached to the labor force and those employed only part time for economic reasons, was 12.5% in November.[4] In concept, this rate resembles the way joblessness is calculated in the BIA labor force report series.

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[3] US Department of Labor, Bureau of Labor Statistics. (December 5, 2008). "The Employment Situation: November 2008."

[4] See Table A-12. Alternative measures of labor underutilization in the December 5, 2008 BLS release on the employment situation.

NATIONAL CONGRESS OF AMERICAN INDIANS

JOBS FOR RESERVATION ECONOMIES: INVESTING TO CREATE SUSTAINABLE JOBS AND TRIBAL ECONOMIES

Indian Country has shown its resilience during difficult economic times for decades. As the rest of the nation moves toward recovery through jobs creation, it is incumbent upon Congress to make significant investments in Indian Country, authorize access to government financing tools and incentives, and provide long-overdue legislative fixes to previous oversights that have left tribal governments out. These investments, authorizations, and fixes will help tribal governments and citizens realize their potential.

1. Infrastructure, Natural Resources and Workforce Development

a. Indian School Renovations - A 1997 Government Accountability Office report on BIA schools documented a repair backlog for education facilities totaling $754 million. By 2004, the construction and repair backlog had grown to $942 million. $450 million of new construction for schools most in need was funded through the Recovery Act, leaving a gap of $500 million in funding for schools most in need of repair.

A jobs bill should consider funding school renovation, repair, and efficiencies. The funding should be distributed to a broad number of recipients through a flexible community-based grant program. A May 2007 "flash report" by the Office of Inspector General at the Department of the Interior found that many Bureau of Indian Education (BIE) schools – where there are outdated electrical systems, inadequate fire detection, and improperly maintained furnaces – require immediate action to protect the health and safety of children and faculty. That report cited "severe deterioration at elementary and secondary schools, including boarding schools." It highlighted some buildings that have been condemned for more than 10 years but where children and faculty are still attending classes.

The BIE has responsibility for 184 elementary and secondary schools and dormitories located on 64 reservations in 23 states. Of this total, 59 schools are BIE-operated and 125 are tribally-operated under BIE contracts or grants. The Bureau also funds or operates off-reservation boarding schools and peripheral dormitories near reservations for students attending public schools. BIE schools serve approximately 42,000 Indian students.

At least $200 million in remaining tax credit financing is available for tribes and colleges to leverage any monies disbursed for renovations and upgrades, thereby compounding the federal investment. The unused portion of the $200 million allocated for use in the current calendar year should be made available until expended through the 2010 calendar year with changes in escrow authority. (See legislative fixes below)

b. Health Care Initiatives and Renovations - The Indian Health Service estimates an unmet health facilities (new hospital) construction need of approximately $2.5 billion for 2009. Approximately $227 million in Recovery Act funding went toward new facilities construction. Tribal communities have varying health care needs beyond hospital construction and a comprehensive grant program allowing tribes to address immediate health needs would allow for rapid development and construction across Indian Country and across the US. Health needs that may be addressed include convenient care facilities; facilities

upgrades and efficiencies; preventive care programs, like community gardens and school nutrition programs; as well as activity-promoting projects, like walking trails. A substantial investment in healthy communities should be considered in the form of grants.

c. Clean and Waste Water - Operation and Maintenance
There is no current source of sustained federal funding for the operation and maintenance (O&M) of drinking water and wastewater infrastructure on tribal lands. The operators of these systems struggle with low or no pay, lack of training, and high turnover. As a result, some systems lack personnel on a consistent basis. This has resulted in disrepair or failure before their serviceable life. This in turn directs funding and energy toward more costly repairs or reconstruction, and away from other badly needed projects for communities also already lacking basic services. Sustainable federal funding for O&M of tribal infrastructure will result in sustainable jobs, the provision of safe drinking water, and more efficient use of federal funds and federally-funded infrastructure.

Statutory authority exists for the Secretary of the Department of Health and Human Services to provide operations and maintenance assistance to tribes through Public Laws 86-121 and 94-437, as amended. However, to date, Congress has not funded direct financial assistance to allow the IHS to support these activities. Another avenue of funding can be accessed through the Department of Housing and Urban Development, which is authorized to transfer funds to IHS for providing sanitation facilities and services. Adequate funding provided under these statutory authorities for the training and employment of operators to operate and maintain tribal water facilities would result in approximately 833 jobs.

d. Energy Efficiencies – The Energy Efficiency and Conservation Block Grants (EECBG) are designed to implement energy efficiency and conservation strategies to reduce fossil fuel emissions created as a result of activities within tribal jurisdictions; reduce total energy use; and improve energy efficiency in the transportation, building, and other appropriate sectors. There are variety of eligible activities, including the development and/or implementation of: an energy efficiency and conservation strategy; programs to conserve energy used in transportation; building codes and inspection services to promote building energy efficiency; energy distribution technologies; technologies to reduce and capture methane and other greenhouse gases generated by landfills or similar sources; and on-site installation of renewable energy technologies on or in government buildings. Additional eligible activities are building energy efficiency audits and retrofits, financial incentive programs for energy efficiency improvements, and material conservation programs.

Recovery Act funding of $56 million allocated to tribes was distributed based on a formula, with access to additional funding through states. This was a good start, but the need for the funding is much greater, and significant challenges exist for tribes trying to access funds available through the states, including administrative issues and a separate justification of need with the state. Funding should be directed through the tribal set-aside program and allow for community-based use of resources. An additional investment in efficiency funds would be helpful in addressing the real needs of tribes to reduce energy costs through incentives and other measures. Spread across tribal communities, these resources will create immediate jobs, build energy employment capacity, and reduce energy costs long-term for tribes and tribal citizens.

e. Transportation – One of the more successful programs utilized to create jobs and build the necessary infrastructure for sustained economic development is transportation funding. Directly funding transportation programs in Indian Country helps tribal and surrounding communities all across the country, especially in remote and rural communities where unemployment is highest. Transportation funding in the Recovery Act left out an important component of bridge construction which, when funded, will employ a diverse workforce in substantial projects. NCAI recommends a significant investment in transportation as a proven jobs creator and the inclusion of bridge repair and construction as an allowable use of funds.

f. Public Safety Initiatives- Under the Recovery Act, the Office of Community Oriented Policing Services (COPS) received $1 billion for its COPS Hiring Recovery Program (CHRP). CHRP is a competitive grant program that provides grants to eligible law enforcement agencies to fund their officers' entry-level salaries and benefits for 3 years for newly-hired, full-time sworn officer positions, or for rehired officers who have been laid off or are scheduled to be laid off at a future date, as a result of local budget cuts. This program has been highly successful and beneficial to tribes; however, there is still a severe shortage of law enforcement officers in tribal communities. As such, any new bill should include $1 billion for the COPS Tribal Resources Grant Program (TRGP), but these funds should not be limited to use in the CHRP program. Instead, they should also be available to subsidize law enforcement training, including: basic, specialized, grant management, and computer training of tribal law enforcement officers.

The Recovery Act also allocated $225 million toward building or renovating tribal correctional facilities. Yet, it failed to address the unmet staffing needs of such facilities, which is equally important. There is both an immediate and a long-term need for correctional officers in Indian Country that can be partially remedied with adequate funding. Any new bill should appropriate funding to

the Edward Byrne Memorial Justice Assistance Grant (JAG) Program. The JAG grants may be used to fulfill an array of law enforcement related functions, such as additional personnel, equipment, supplies, and training for corrections programs. With additional funding, tribes will have the capacity to train and hire much needed correctional officers to staff tribal jails and other correctional facilities.

g. Tribal Energy Development - Department of Energy estimates wind potential in Indian Country can provide 20-50% of current US electricity needs, with solar potential estimated at 4.5 times those needs. Realizing this potential will result in job creation and economic development, especially for tribes in remote areas, and spur the nation's transition to clean energy and energy independence. DOE's Tribal Energy Program (TEP) enables tribes to engage in renewable energy activities, including planning, feasibility studies, demonstration projects, and deployment.

Since 2002, DOE has only been able to fund 33% of tribal applications at 25% of funding requested, resulting in a deficit of about $45 million. Tribal interest in the program has grown in recent years. In FY 2009, the program received over 100 tribal applications valued at over $100 million, with $52 million in funding requested from DOE. Thirty-six applications, valued at over $41 million, were selected for funding. DOE plans to provide $13.6 million for these projects, using a combination of FY2009 funds and FY2010 funds, subject to Congressional appropriations. An investment in the Tribal Energy Program will meet much of the tribal demand for renewable energy projects and create a substantial number of jobs.

h. BIA Indian Forestry Management - Indian reservations nationwide contain 18 million acres of forest. 5.7 million acres of that forest is used commercially, for which BIA identifies a backlog of 900,000 acres in need of restoration work. However, funding for forest restoration on Indian trust land is significantly less than for US Forest Service land. A statutorily required independent assessment of the BIA Forestry program concluded that the program's funding was nearly 4 times less per acre than for US Forest Service lands, and should be increased by $119.6 million to bring it into funding parity.

Equitable funding for the National Indian Forest Resources Management Act) will: create approximately 3,125 jobs to thin and replant half of the 900,000 acre backlog of trust forest in need of restoration; diminish the severity of wildfires; enhance the carbon sequestration capacity of tribal forest lands; improve forests for subsistence uses, such as firewood and gathering; result in forest management plans and integrated resource management plans; and strengthen

the Indian Forestry Education Program designed to educate and train Native American youth in forest management.

i. BIA's Tribal Management and Development Program - BIA's Tribal Management and Development Program (TMD) Program is the key tribal program for managing reservation fish and wildlife resources across the nation. This tribally-administered program contributes significantly toward meeting the growing national demand for outdoor recreation and tourism and aids in the protection of millions of acres of habitat necessary for the conservation of fish, wildlife, and plant resources. However, from FY 2002 - FY2008, funding for the TMD program has declined 30% from $9.3 million to $6.5 million. This funding will create jobs that will be needed in the future, as climate change disproportionately impacts tribes in part because of their high dependence on natural resources. An infusion of funds will create jobs and enable tribes to plan for and address these impacts.

j. BIA's Invasive Species Program - Tribes are witnessing the expansion of invasive species on their lands, threatening native species used for food and medicinal purposes. The Invasive Species program (formerly called Noxious Weed Eradication) provides critical funds to tribes to control noxious and invasive species. It is the only Invasive Species program providing protection to Indian Trust land. This program is an active partner in the Department's Invasive Species Crosscut Initiative.

Invasive species cause $120 billion in damage each year in the United States, with about $3 billion on Indian Trust land. Federal Invasive Species spending on non-Indian lands is at least $1.3 billion each year. On average, Interior spends five times more on non-Indian land than on Indian land for Invasive Species. Unfortunately, funding for this program has declined by 50% from $2 million in FY 2002 to $1 million in FY 2008. $5 million for this program will help bring tribal funding into parity, create jobs in a highly labor intensive field, and help tribes address the impacts of climate change on their natural resources.

k. Fish and Wildlife Service via Tribal Wildlife Grants Program - The Tribal Wildlife Grants (TWG) program within Department of Interior, which is managed by the US Fish and Wildlife Service (USFWS), provides $6 million in grant funds per year to tribes on a competitive basis to fund technical and financial assistance for the development and implementation of programs that benefit fish and wildlife resources and their habitat, including species that are not hunted or fished. Tribes recognize TWG as a valuable and flexible mechanism for improving fish and wildlife habitats, reflected not only in the end results, but the high demand for the fund. USFWS funds about 35 of the 95 - 125 proposals submitted each year, and the overall tribal funding request ranges

from $17 to $27 million. This is an incremental request that seeks to work gradually through the years towards a level commensurate with actual need.

l. Workforce Investment - The Department of Labor's Workforce Investment Act (WIA) Section 166 Comprehensive Services Program was zeroed out in 2010 budget. The program is currently run through the Office of Workforce Investment and money previously set aside for tribal use is now pooled and discretionary. Tribes need direct funding through Section 166 for: 1) education development, 2) short-term certificate training, and 3) on the job training incentives to potential employers. The current $55 million in discretionary funds should be moved to the Section 166 program and be supplemented to meet the growing need to transition and train growing tribal workforces. The additional funds should be used to provide hiring incentives and increased training needed to transition depressed sector workers to other areas and provide for green and telecommunications worker training. For example, timber industry workers will not see their industry turn around until at least 2011. Workers used to cutting trees and working in mills need short-term transition training to work on roads and renovation projects.

m. Training and Career Development - A substantial federal investment will be made in telecommunications and energy by both federal and private partners. Indian Country is uniquely positioned to be able to participate in both economic opportunities; however, our able workforce needs to participate in training and career development programs that will position them to take advantage of local opportunities. Tribal-serving colleges and universities willing to offer technical training programs should be funded to train teachers and develop curriculum for the tribal workforce. Training is needed to develop immediate technical skills in order to participate in immediate job and career opportunities.

n. Student Loan Forgiveness Program-Encouraging graduating students in targeted careers to return to tribal communities are a proven method for addressing the lack of quality professionals in a given field. This type of program has been successful in addressing the lack of health professionals willing to work in tribal communities. A jobs creation program for Indian Country should include a loan forgiveness program for students in the targeted fields of education, telecommunications, energy, and business (finance) related fields. These fields are needed in tribal communities to bring in quality teachers, entrepreneurs, communications, and energy development professionals necessary to build local economies and workforce while taking advantage of significant economic trends. Success in this program means giving incentives to students to relocate in tribal communities long enough to benefit both the student and the tribal employer. Short programs, typically lasting two years, takes a large investment for tribal governments, with employees sometimes

moving on after their time is through. Longer-term incentives are a more effective program for both parties.

2. INVESTMENT INCENTIVES AND ACCESS TO CAPITAL

a. Accelerated Depreciation and Indian Employment Tax Credit - Telecommunications funding will hit parts of Indian Country early next year, just after the Accelerated Depreciation and Indian Employment Tax Credit expire at the end of this year. Accelerated depreciation is proven to be an attractive incentive for promoting capital intensive projects. Energy and telecommunications industries should be given an incentive to invest and build on and near economically-depressed Indian tribes. The accelerated depreciation attracts capital, while the Indian employment tax credits and hiring subsidies (see Workforce Investment) incentivizes the same companies to hire from the local population. Together these incentives would make an immediate and lasting impact; however, both incentives are set to expire and are generally renewed every year or two, making them unreliable and often overlooked by companies. Both should be renewed for a seven year period to encourage immediate and sustainable growth in some of the most distressed areas, with the tax credit expanded to an income level that makes it attractive for use.

b. Guaranteed Tribal Loans and Surety - The Department of Interior, through the Office of Indian Energy and Economic Development, manages a successful Indian loan guarantee program. The individual business program utilizes a 10:1 funding ratio, meaning a $10 million investment could guarantee $100 million in business loans. This has worked well for individuals; however, tribes with limited resources willing to develop community-wide businesses and grow their local economies have to turn to the bond market for financing. The market, along with the rating agencies, has not gauged tribal risk effectively, making capital expensive or non-existent. Guaranteed financing is needed for tribal development projects. This applies to loans and surety or performance guarantees, which have a lower 3:1 ratio. The surety guarantees are needed because the surety bond industry excludes tribally-owned construction companies in underwriting. The BIA guaranteed loan program and direct loan program accounts are authorized by the Indian Financing Act of 1974, as amended, 25 U.S.C. 1451

c. Tax Exempt Bond Authority for Economic Development– Developing an economic base to fund government programs in lieu of a tax base requires capital. Congress has already recognized that Indian tribal governments need policies that ensure fair access to the same public financing tools available to other governments when raising capital when it enacted 26 USC 7817.

Clarification of the "essential government function" definition is needed in order to promote tribal use of tax exempt bond financing, which is consistent with creating an economic revenue base and would create infrastructure projects and jobs on the reservation.

Note: The tribal loan guarantee and the tax exempt bonding provision would help struggling tribes access guaranteed capital needed to get started, while the tax exempt bonding authority would help more economically successful tribes access the capital markets at reasonable costs. Both are needed.

d. Transfer of Production Tax Credits- Clarification of the federal tax code so as to allow tribes to transfer energy production tax credits that would stimulate investment in tribal energy resources. Amend subsection (f) of section 45A of the Internal Revenue Code of 1986 to authorize tribal government transfer of credit for value.

e. Unemployment Data Measurement - Data from the Census Bureau identifies American Indians and Alaska Natives as the population facing both the most pronounced socioeconomic disadvantage and the least accurate Census data. Unemployment data is an increasingly important lens in assessing the extent of the economic crisis and our recovery from it. It is therefore particularly concerning that the Bureau of Labor Statistics effectively excludes on-reservation unemployment rates (often at levels well beyond 50 percent) in their monthly employment reports. This absence means that the unemployment rate for states with high Native populations is likely considerably understated. More recently, the passage of HR 3548 extended unemployment benefits in all states with the provision of an additional 6 weeks for states with unemployment rates of 8.5 percent. The importance of accurate data was underscored in three states with high Native populations – Alaska, Minnesota, and North Dakota - that have understated unemployment rates of 8.2 percent because citizens on tribal lands were excluded.

To ensure the effectiveness of job creation efforts specifically, and the job creation bill in general, NCAI proposes funding for a baseline demographic profile of unemployment on tribal lands to be completed by summer 2010, with a follow up profile to benchmark the progress of the recovery in summer 2011. We propose this allocation be made to the U.S. Census Bureau with a requirement that they consult with NCAI to ensure the concerns of tribal leaders are taken into account.

3. Legislative Improvements

a. Tax and Finance

- Indian School Construction Tax Credit Financing - The Recovery Act authorized $400 million in tax credit financing. $200 million of the authority is set to expire this calendar year. Despite the progress made in the ARRA in authorizing the school construction bonds, none of the school bond allocation has been utilized by tribal governments to date because the Department of Interior has indicated that the Secretary of Interior requires more explicit authorization than is currently contained in the ARRA in order to create an escrow account to hold funding for tribes to pay bondholders when the bonds mature. These means tribes will lose $200 million in bonding authority.

  NCAI is requesting any unused portion be rolled over to the following year. In addition, report language should be included in the Senate Jobs Bill that would make clear that for purposes of implementing Section 1521 of the ARRA, that the Secretary of Interior is authorized to deposit up to $200 million (or $400 million if applicable) into a tribal school modernization escrow account to support issuance of the bonds and to promulgate any regulations necessary with regard to issuance of the bonds.

b. Incentives

- Authorization of a long-term extension of the business tax incentives, including the use of accelerated depreciation and Indian employment tax credits in order to promote external economic development

c. Workforce Investment and Green Jobs

- Tribal governments and tribal citizens have yet to be equitably involved in the nation's efforts to generate green jobs. For example, tribes are not eligible to apply for the Pathways out of Poverty program in the Workforce Investment Act, despite the fact that 8 of the 10 poorest counties in America are located on Indian reservations. Furthermore, tribal members living on and off reservations need not be expressly targeted for recruitment, training, and employment by entities receiving funding under Title X.

- Amend section 1717(e)(1)(B) of the Workforce Investment Act to include a tribal set-aside21 for Health Care Sector and Other High Growth and Emerging Industries, Pathways Out of Poverty, Green Capacity Building, and Energy Training Partnership grants (Department of Labor).

- Restore funding for the Workforce Investment Act section 666 Comprehensive Services Program and authorize a tribal set-aside for education and training (Department of Labor).

- Amend Title X of the Energy Independence and Security Act of 2007 (Green Jobs Title), which amended the Workforce Investment Act, to expressly include tribal governments and authorized intertribal consortia as eligible entities for programs along with State agencies and other organizations. Also, expressly include tribal citizens in the list of target populations of eligible individuals to whom priority for training and other services will be given, and for recruitment, training, and employment by entities receiving funding under Title X (Department of Labor).

- Amend the Juvenile Justice and Delinquency Prevention Act (42 U.S.C. §5661 et seq.) to include a tribal set-aside to require that a portion of appropriated funds are spent on projects centered on tribal youth, including youth training and employment.

- Amend Title I, Part B, section 110(c), and Part C, section 121, of the Rehabilitation Act of 1973 to specifically authorize the American Indian Vocational Rehabilitation Services (AIVRS) Program to provide equal access for American Indians with disabilities to the same kind of program offering services provided under Title I of the Act by state vocational rehabilitation agencies to other individuals with disabilities living in that state (section 121(b)(1)(B)), as well as comparable services (Department of Education). Also, increase the set-aside under section 110(c) from 1% to 1.5%.

d. Energy Development and Energy Efficiency:

- Amend the Energy Independence and Security Act of 2007 to increase the tribal set-aside under the Energy Efficiency and Conservation Block Grant program from 2% to 3% (Department of Energy). Also, authorize eligibility of authorized intertribal consortia for the receipt of funds, and expand the list of eligible activities to allow for the development of tribal institutional capacity to manage and to implement the program.

- Indian tribes own and operate schools, hospitals and other buildings. Many of them are in substandard conditions as a result of chronic underfunding, and could be improved through participation in the nation's efforts to improve the energy efficiency of buildings. However, tribal governments are currently not eligible for grants and technical assistance for energy improvements and energy sustainability through the Department of Energy (DOE) grant program for "schools and hospitals and buildings owned by units of local government and public care institutions" under Section 399A of the Energy Policy and Conservation Act (42 U.S.C. 6371h-1).

- No current set aside - Amend Title IV of the Energy Conservation and Production Act of 1976 which established the Weatherization Assistance Program (Department of Energy) to authorize a 3% tribal set-aside, and amend existing regulations so that DOE can provide such funds directly to tribes and authorized intertribal consortia. (The existing regulations place the burden upon the tribes to demonstrate that states are failing to serve tribal homes, and give DOE discretion to determine whether the tribal justification is sufficient, before such funds are provided to tribes.) Of this 3%, 80% should be provided directly to tribal governments and authorized intertribal consortia to manage and/or implement the program, with the remaining funds to support key DOE activities. Such DOE activities would include: building Department's institutional capacity to develop a tribal weatherization/energy efficiency program; issuing a report assessing the effectiveness of, and recommending improvements to state Wx programs in meeting tribal needs; developing programs to recruit, train, and employ tribal members; and providing funding to states to subcontract with tribes and/or Native businesses to run the program.

- Amend the Energy Policy Act of 2005 (25 U.S.C. § 3502(a)) to authorize $50 million, rather than "such sums as are necessary," in current law, for each fiscal year through FY 2016 to build tribal capacity to develop energy resources (Department of the Interior). These funds will enable tribes to develop managerial and technical capacities to oversee the steps in tribal energy development from strategy to planning to implementation, and thus help to realize tribal energy development potential.

- Amend the Energy Policy Act of 2005 (25 U.S.C. § 3502(b)(6)) similarly to authorize $50 million annually for Tribal Renewable Energy Projects and Energy Infrastructure Planning (Department of Energy). Realizing the renewable energy potential of Indian Country will result in job creation

and economic development, especially for tribes in remote areas. Tribal demand for this funding (primarily for pre-construction costs of renewable energy projects) was over $50 million in FY2010, but only $6 million was available.

e. Water Infrastructure and Natural Resources

- Amend the Clean Water Act and the Safe Drinking Water Act to increase the statutory tribal set-asides to a minimum of 3% under the Clean Water Act and Safe Drinking Water State Revolving Funds (Environmental Protection Agency).

- Authorize direct tribal participation in the Forest Legacy Program and the Forest Stewardship Program by amending the Cooperative Forest Assistance Act of 1978 (16 U.S.C. 2103c and c(1)). Similar amendments were included in the Senate-passed version of the 2007 Farm Bill (sections 8111 and 8112), but not included in the bill that was ultimately enacted.

f. Indian Health

- Amend the Indian Health Care Improvement Act (as included in S. 1790 as approved by this Committee) to authorize the Indian country modular component facilities demonstration program, the mobile health stations demonstration program, and convenient care services program.

- Tribal government health benefit exclusion - Congressional clarification is needed in the form of a statutory exclusion to clarify that health benefits and health care coverage provided by Indian tribes for the general welfare of their members are not subject to income taxation. Consistent with the Federal government's policy of providing health care services to Indians, the proposal would clarify that health care benefits provided to Indians are not subject to income taxation. It would also encourage Indian tribes to provide such benefits to their members on a non-discriminatory basis during this economic downturn when unemployed workers stand to lose their employer-provided health plans.

g. Education

- Include Indian children and the Bureau of Indian Education in the Race to the Top program by amending sections 14006 and 14007 of the American Recovery and Reinvestment Act to reserve funds under the programs established under these two sections (State Incentive Grants and the Innovation Fund, respectively) for payments to the Bureau of Indian Education of the Department of the Interior for Indian children (see H.R. 4475, introduced by Congresswoman McCollum).

h. Financial Services

- Amend the Riegle Community Development and Regulatory Improvement Act of 1994 to provide a specific percentage of the Community Development Financial Institutions Fund for the Native American program (Department of the Treasury).

A Brief Note on Joblessness in Indian Country

According to the most recent data published by the US Bureau of Indian Affairs, the rate of joblessness on American Indian reservations and in Alaska Native villages was a staggering 49%.[1] Over the last decade, this rate has not been significantly below 50% with the exception of one year.[2] The rate is calculated on the basis of the total available work force, including those who do not actively seek work because they know that none is available in their community.

Reservations in some parts of the country show joblessness rates that are much higher. Indian joblessness on reservations in the Northern Plains was calculated by BIA as averaging 77%. Reservations in the Northern Rockies showed an average rate of 67%, while those in most of Arizona, Utah and Nevada averaged a rate of 63%.

These rates are many times higher than is the unemployment rate for the country as a whole. With a recession now officially one year old, the US Bureau of Labor Statistics reported that the national unemployment rate in November was 6.7%.[3] Economists are concerned that it may rise to nearly 10% in the coming months. The rate has been high enough to trigger the federal government to consider or enact economic stimulus programs running to as much as several trillion dollars.

Yet the national unemployment rate pales in comparison to the severity of joblessness in Indian Country.

Even the broadest measure of joblessness for the US population as a whole does not come close to the rate for Indian Country. The so-called U-6 alternative measure of labor underutilization, which includes discouraged workers, others only marginally attached to the labor force and those employed only part time for economic reasons, was 12.5% in November.[4] In concept, this rate resembles the way joblessness is calculated in the BIA labor force report series.

Other factors compound the seriousness of joblessness across Indian Country. These include low educational attainment levels, a product of decades of

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[1] US Department of the Interior, Bureau of Indian Affairs, Office of Indian Services. (2005). *2005 American Indian Population and Labor Force Report.*

[2] See the BIA American Indian Population and Labor Force Reports for 1997, 1999, 2001, 2003 and 2005.

[3] US Department of Labor, Bureau of Labor Statistics. (December 5, 2008). "The Employment Situation: November 2008."

[4] See Table A-12. Alternative measures of labor underutilization in the December 5, 2008 BLS release on the employment situation.

underinvestment in Indian education, a lack of work experience among Indian youth and adults and endemic poverty.

Detailed data from the 2000 Census illustrates the extent of these problems.

Indicators of the Ability of American Indian/Alaska Native Workers to Compete in the 21st Century Workforce[5]

Indicator	AI/AN Population on Reservation	AI/AN Population Nationally	Total US Population All Races
Adults 25 and Older with Less than HS Diploma or GED	35.9%	29.1%	19.6%
Unemployment Rate as Officially Measured	21.9%	12.4%	5.8%
Labor Force Participation Rate	51.5%	61.1%	63.9%
Persons 16 and Older with No Work Experience at Any Time in 1999	44.0%	32.5%	30.5%
Poverty Rate	39.4%	25.7%	12.4%

By any measure, the lack of work on Indian reservations across the country and in Alaska Native villages warrants increased federal resources even more than the alarming increase in joblessness within the general US population.

Compiled December 9, 2008 by Norm DeWeaver, Staff for the Census Information Center provided by the Indian and Native American Employment and Training Coalition, Early 1990's-2005

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[5] US Department of Commerce, Bureau of the Census. (2002). *2000 Census of Population and Housing, Summary File 3.*

Sources of Labor Force Data for the On-Reservation Indian Population

The lack of economic opportunity is a severe and persistent problem for the Indian population on many reservations throughout the country. Jobs are scarce. Many are relatively low paying. Entrepreneurial opportunities are also lacking.

However, precise data on the extent of this problem is very limited and frequently of dubious quality. The actual numbers of Indian people without employment are seldom accurate. The official definition of unemployment used by most federal agencies ignores the realities of reservation joblessness and job-seeking. Although what data is available can sometimes be improved by adjustments in the methodology, the figures from most sources fail to provide a realistic indication of the severity of the labor market problems facing Indian people in reservation areas.

This memo describes the major sources of labor force data for the on-reservation American Indian and Alaska Native population.[1] It summarizes the methodologies used to calculate the data and provides cautions on the interpretation of the published figures. An appendix provides a brief description of the basic concepts involved in measuring the labor force and the Web addresses where the data can be found.

Specifically, this memo looks at five different sources of labor force data:

- **The Labor Force Report, published by the US Bureau of Indian Affairs (BIA) in the Department of the Interior**
- **The 2000 Census of Population, published by the US Census Bureau in the Department of Commerce**
- **The American Community Survey, also published by the Census Bureau**
- **The Current Population Survey (CPS), published by the US Bureau of Labor Statistics (BLS) in the Labor Department**

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[1] The terms "Indian" and "Native" are used throughout this memo to cover both the American Indian and Alaska Native populations. The abbreviation for these populations used by the Census Bureau is "AI/AN."

- **The Local Area Unemployment Statistics (LAUS) series, published by BLS in cooperation with state Labor Market Information (LMI) offices**

The concluding section of the memo provides guidance on the data that may be the most appropriate, depending on the user's needs and priorities.

The Bureau of Indian Affairs Labor Force Report

Since the late 1970's the US Bureau of Indian Affairs (BIA) has published a document it currently calls the "American Indian Population and Labor Force Report." It is generally referred to simply as the BIA labor force report.

The report provides estimates of the population eligible for BIA services on or near reservation or other BIA service areas. There is some detail on the age distribution of this population and its labor force characteristics. The most commonly cited data element in the report is the percentage of the "available" labor force that is not employed. This percentage is usually referred to as an "unemployment" rate, although it would be more accurate to portray it as a "jobless" rate.

BIA requests data for the report directly from tribal governments. However, it provides no funding and prescribes no methodology for the collection of this data. In the past there has been virtually no technical assistance available on the collection of data, although there are plans to provide training in the future. If tribes do not supply the data, it has been developed by BIA staff, or, in some cases data from the most recent report has been used instead.

These are among the most important characteristics of the BIA labor force report:

- The data consists of estimates only. There is no standard methodology for producing these estimates. The way they are calculated varies from tribe to tribe and from one BIA office to another.

- The data is for BIA service areas; that is, areas "on or near" reservations or other Native communities.

- The BIA concept of unemployment is different than that used by BLS and Census. Persons are considered by BIA as "unemployed" if they are thought to be available for work, but not employed. This approach is a more realistic one in view of the economic circumstances in reservation areas than is the definition of unemployment in the BLS and Census Bureau data which requires that a person be "actively seeking work" to be counted as unemployed.

- The data is usually published biennially, generally in odd-numbered years.

- The data covers only the population eligible for BIA services.

In describing employment conditions on their reservations, tribes and tribal advocates generally prefer to use the BIA labor force report data. It almost always shows Indian reservation unemployment (joblessness) rates that are several times higher than the unemployment rates published by the Census Bureau or by BLS.

For example, the 2005 BIA labor force report shows an unemployment rate for the San Carlos reservation in Arizona of 68%, while the 2000 Census shows an unemployment rate for the Indian population on the same reservation of only 37% (a figure which itself is six times higher than the national unemployment rate for all races reported in the same Census.)[2]

The 2000 Census

Data on the general characteristics of the US population, including race, and the detailed socio-economic characteristics of the population, including labor force status, have been collected every ten years in the national census conducted by the US Census Bureau. The most recent decennial census took place in 2000.

These are among the key characteristics of the Census for 2000 and prior ones in recent decades:

- The decennial census has been the **only source** of unemployment data on Indian reservations that is **based on a uniform, on-the-**

[2] The Appendix contains the Web addresses for each of the data sources used in this memo.

ground enumeration in all areas of the US. The data is tabulated from the Census "long form" questionnaire, which has been distributed to one in every two households in nearly all reservation areas.

- The data is for all areas within the exterior boundaries of a reservation or non-contiguous tribal trust land. Data has also been published for several other types of Native areas, including former reservation areas in Oklahoma and Alaska Native Villages and Regions.

- The counts of the unemployed are based on the standard definitions of labor market activity established by the BLS and the Census Bureau. The definition of unemployment requires that a person be ready and able to work and have "actively" sought work within the last four weeks.

- In the case of the 2000 Census and prior decennial censuses, data is available only every ten years. Moreover, the detailed socio-economic characteristics data, such as that on labor force status, is usually not available until two years after the census is taken.

- The most commonly published labor force data for reservation areas -- the community "profiles" on the Census Bureau's Web site -- shows unemployment rates for the **total population of all races** within the reservation. Many reservations have significant numbers of non-Indians living within reservation boundaries. The unemployment rate for those persons who said that American Indian or Alaska Native was their only race is higher, sometimes much higher than the rate for the population of all races within the same reservation area.

The standard Census and BLS definition of unemployment ignores job seeking patterns in many reservation areas, where persons do not actively search for work when they know it is not available. This difference in labor market behavior among Indian people living in reservation areas is reflected in the fact that the labor force participation rate for the on-reservation Indian population is generally significantly lower than it is for the US population as a whole.

For example, data from the 2000 Census for the San Carlos reservation shows an unemployment rate for the Indian population of 37.1%. At the same time, the labor force participation rate was 47.1% compared with a figure of 63.9% for all races nationally. **If the labor force participation rate were factored into the calculation of the Indian unemployment rate on the San Carlos reservation, it would be 53.7%.**[3]

In the upcoming 2010 Census there will be no "long form" questionnaire. Instead the Census Bureau will publish detailed socio-economic data for the population that is collected through the Bureau's American Community Survey, or ACS for short.

The American Community Survey

The American Community Survey is a relatively new tool developed and used by the Census Bureau to collect and tabulate detailed socio-economic information on the US population.

Although designed to collect the same detailed information that was collected on the "long form" questionnaire used in past decennial censuses, the ACS is different in a number of key respects from the decennial "long form" survey[4]:

- The ACS is a much smaller survey, collecting data from fewer households.
- Unlike the "long form," used once every ten years, the ACS is an ongoing survey. It mails questionnaires to a small sample of households throughout the US every month. The responses from each geographic area are then aggregated and extrapolated to the estimated total population in that particular area.

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[3] This adjusted measure of joblessness is calculated by multiplying the labor force participation rate for the general population, nationally, by the Indian population age 16 and over in a reservation or other area to produce an adjusted number for the total Indian labor force. The number of Indian employed is subtracted from this adjusted total Indian labor force figure. The result is then divided by the adjusted total Indian labor force number to produce an Indian unemployment rate which reflects the effect of the lower labor force participation rate.

[4] For a detailed discussion of the design and methodology of the ACS, see the Census Bureau Technical Paper 67 available at: http://www.census.gov/acs/www/Downloads/tp67.pdf.

- Data is published annually for the nation as a whole, for states and for geographic areas with a total population of 65,000 or more. Data for geographic areas with total populations of 20,000 or more is aggregated from the previous three years of responses to the ACS and published annually. Data for all areas, including rural areas and nearly all reservation areas, will be aggregated for the five most recent years and published annually.

- The ACS has been gradually ramping up. At this point, detailed socio-economic data is available for only a handful of federal reservations. Data for all reservations will only become available in 2010, using the data aggregated over the most recent five-year period.

- The most highly touted advantage of the ACS is that new data on the detailed socio-economic characteristics of the population will be available every year, not just every ten years. However, the figures for rural areas will be based on an aggregation of five years of survey responses.

- The ACS has a major disadvantage for small populations, such as the Indian population, particularly in small geographic areas, such as those covered by many reservations. The size of the ACS sample means that the numbers will not have the same level of accuracy as the data produced from the "long form" questionnaire used in prior decennial censuses. To caution users about this sampling error, the ACS data contains margin of error (MOE) figures for each value, along with the estimate. These MOEs represent the range of numbers within which the Bureau says the real figure should lie.

The small size of the sample and other aspects of the ACS operation raise serious questions about the reliability of the data for the Indian population, particularly in reservation areas. An analysis of the ACS data released to date by the Census Bureau illustrates some of the potential problems.

For starters, the 2007 ACS estimate shows a significant **drop** in the American Indian/Alaska Native (AI/AN) "alone"[5] population at the national level from the

[5] In Census terminology, a person is considered as "AI/AN alone" if he or she identifies AI/AN as his or her only race. A person who identifies as AI/AN and also as a member of one or more

count in the 2000 Census. According to ACS, the Indian population declined by 4.5% over the seven years since 2000. This drop, if real, would be in sharp contrast to all the recent decennial censuses, which have each recorded significant increases in the number of Indian people.

In addition, the 2007 ACS estimate for the size of the AI/AN population at the national level is very different than the figure produced through another Census Bureau program, the population estimates program. The population estimate for the AI/AN "alone" population at the national level for 2007 is 10.3% **higher** than the 2000 Census number, instead of 4.5% lower as shown in the ACS data.

An analysis of the AI/AN "alone" figures from the ACS available for the Navajo reservation, several OTSAs and several Alaska Native Regional Corporation areas also shows significant population declines in the Native population from the 2000 Census.

The detailed socio-economic characteristics data includes some unexpected results. For example, the data from the 2000 Census on unemployment on the Navajo reservation shows an Indian unemployment rate of 26.4%. According to the 2006 ACS data, the official unemployment rate for the Indian population on Navajo was 9.6% -- a hard-to-explain difference. The more recent 2007 ACS data shows a rate of 14.1% -- closer to the rate in 2000, but still a significant decrease in unemployment on that reservation from 2000.

These early results from the ACS make reliance on the data problematic. A more complete analysis will have to await the publication of the five-year data series in 2010, which will be the first to cover all reservation areas.

The Current Population Survey

The most commonly used source of labor force data for the general population is the Current Population Survey, or CPS. The survey is conducted by the Census Bureau for the US Bureau of Labor Statistics in the Department of Labor. This is the source used to issue the national US unemployment rate on the first Friday of every month.

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other races is considered as AI/AN "in combination with one or more other races" and is included in the counts for the AI/AN "alone or in combination" population.

The CPS interviews a sample of all households every month. The sample is designed to be representative of the total population at the national level. It asks each respondent to identify his or her race, along with a detailed series of questions on labor market behavior.

The BLS releases monthly data from the CPS which includes unemployment numbers for the African-American, Asian and Hispanic populations. However, CPS does not publish any data for the Indian population. A BLS explanation for this omission is found in a variety of the agency's publications about the CPS, including this one from a recent report on the labor force characteristics of the population by race and ethnicity:

> "Persons in the remaining race categories -- American Indian or Alaska Native, Native Hawaiian or Other Pacific Islanders, and persons who selected more than one race category -- are included in the estimates of total employment and unemployment but are not shown separately because the number of survey respondents is too small to develop estimates of sufficient quality."[6]

Public use microdata files are available from the CPS. These files contain the responses from a sample of individual respondents, scrubbed to protect the confidentiality of the respondents. Such files do include records for Indian people, as well as for other respondents. However, the caution issued in the BLS publication quoted above still holds true: the sample of the Indian population is too small to produce statistically reliable information, even at the national level.

The Local Area Unemployment Statistics Series

Like the CPS, the Local Area Unemployment Statistics (LAUS) series is a product of BLS. It uses the same concepts and definitions used in the CPS, including the requirement that a person must be actively seeking work in order to be counted as unemployed.

Unlike the CPS, LAUS is a cooperative effort between BLS, which oversees the series and dictates its methodology, and the state labor market information (LMI) agencies, normally associated with state Job Service units.

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[6] US Department of Labor, Bureau of Labor Statistics. (September 2008). *Labor Force Characteristics by Race and Ethnicity, 2007.* Report 1005.

The LAUS data is available from BLS for roughly 7,300 geographic areas in the country, but not for any reservation or other Indian or Alaska Native area.

A few state LMI offices do publish unemployment data from their LAUS programs specifically for Indian reservation areas. The Arizona LMI office, part of the state's Department of Commerce, is one of those that does.

These are among the key characteristics of the LAUS data:

- The LAUS data involves estimates. There is no actual, on-the-ground survey to collect the information. BLS mandates the use of its "Handbook method" in computing LAUS data for sub-state areas. Data from state Unemployment Insurance (UI) systems constitutes one significant input to these calculations.[7] However, Indian people with a marginal attachment to the labor force are not likely to apply for or to receive benefits from state UI systems as they often lack the necessary time in UI covered employment. A special labor market survey conducted in the late 1980's on the Standing Rock Sioux reservation found that LAUS data seriously misrepresents unemployment conditions for the reservation Indian population.

- The LAUS data uses the BLS definition of unemployment, requiring a recent, active search for work in order to be counted as unemployed.

- The LAUS data is available monthly, and 12-month averages are published for each year.

- The Arizona LAUS data is presumably for the total population on the reservation, not just the Indian population.

According to the Arizona LAUS program, the unemployment rate on the San Carlos reservation averaged 20.8% in 2000 and 17.1% in 2007. This compares with the 2000 Census figure for the Indian population on the reservation of 37.1%, or an adjusted rate of 53.7%.

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[7] See the BLS "Overview" of the LAUS program at: http://www.bls.gov/lau/lauov.htm.

The Choice of Which Data to Use

Unless a tribe has recently conducted its own house-to-house enumeration using standard survey techniques, there is no completely accurate, up-to-date source of labor force data for the on-reservation Indian population.

The range of the unemployment/jobless rates for a single reservation can be very wide. The table below illustrates the problem for the San Carlos reservation.

Jobless Rates Compared: San Carlos Reservation v. US

Measure	AI/AN Population San Carlos Reservation	Total Pop-All Races United States
Recent Data		
Jobless Rate - 2005 BIA Labor Force Report	68%	Not Applicable
American Community Survey - 2007	Not Available	
Current Population Survey - 2007	Not Available	4.6%
AZ LAUS - 2007	17.1%	See CPS 2007 Above
Data for 2000		
Census Unemployment Rate	37.1%	5.8%
Census Unemployment Rate Adjusted		
San Carlos Adjusted for Labor Force Participation Rate	53.7%	
National Rate from CPS per BLS Measure U-6 measuring many forms of joblessness		6.7%
Current Population Survey - 2000	Not Available	4.0%
AZ LAUS - 2000	20.8%	See CPS 2000 Above

Sources: US Bureau of Labor Statistics for CPS and LAUS data, US Census Bureau for 2000 Census of Population, Arizona Department of Commerce, Labor Market Information unit for AZ LAUS data

The BIA labor force data is generally the source preferred by tribes as it provides a more realistic picture of the severity of joblessness among Indian people in reservation areas. However, it consists only of estimates based on unknown methodologies and seldom involves an on-the-ground survey.

The 2000 Census data is based on an on-the-ground survey, is published for reservation areas and for the Indian population. However, the census is taken only once every ten years. Moreover, it is based on a concept of job search behavior that is inappropriate for most reservation areas. Adjusting the data by factoring in the labor force participation rate improves the reasonableness of the figures, though this approach still does not fully represent reservation labor market conditions.

The data from the ACS will be the only detailed, regular source of Census Bureau data for the Indian population in reservation areas from 2010 on. However, the small sample size will result in the suppression of data for the smaller reservations and other special Indian and Alaska Native areas. The figures published to date from the ACS raise questions as to whether many Native people, particularly those hardest-to-count, are being missed.

The CPS produces a wealth of data on the labor force at the national and state level. However, the number of Indian respondents in the monthly survey is too small to produce reliable data for the Indian population at any level.

The LAUS series published by BLS uses a methodology which does not take reservation conditions into account. Few state LMI offices publish LAUS data for reservation areas. Arizona is one of these. Although the figures published by the Arizona LMI unit show that unemployment is substantially more severe in reservation areas than it is in most non-Indian jurisdictions, there are still questions as to how well the data reflects actual reservation conditions.

As a general rule, it is preferable to use a tribe's own estimates, if available, in describing labor market conditions on a specific reservation. Data obtained from federal or state sources should be used with great caution and understood for its strengths and weaknesses. The user should be cautioned that the numbers are likely to misrepresent the severity of the labor market conditions facing the on-reservation Indian population.

Prepared by Norm DeWeaver *December 22, 2008*

Appendix

Basic Labor Force Concepts and Web Links

BLS/Census Labor Force Concepts

The US Bureau of Labor Statistics (BLS) and the US Census Bureau share the same concepts and definitions of the labor force. These concepts nest within the following hierarchy:

Persons Age 16 and Over, the population considered to be of working age

- **Persons in the Labor Force**, the sum of those in the Armed Forces and those in the Civilian Labor Force
  - **Persons in the Armed Forces** who reside within the area
  - **Persons in the Civilian Labor Force**, the sum of those who are Employed and those who are Unemployed
    - **Persons Employed**, including those with part-time or temporary work and various categories of those with a job but not at work during the survey week
    - **Persons Unemployed**, covering those who do not have a job, have actively sought work within the four weeks preceding the survey and are available for work
    - **Unemployment Rate**, the number Unemployed divided by the number in the Civilian Labor Force
- **Persons Not in the Labor Force**, all those who are not counted as in the Armed Forces or the Civilian Labor Force, including persons considered to be "discouraged workers" who did not seek work because they believed that none was available to them and others considered to be "marginally attached" to the labor force
- **Labor Force Participation Rate**, the number of persons in the labor force divided by the number of persons age 16 and over

For more information on these concepts and definitions, see "How the Government Measures Unemployment," a paper posted on the BLS Web site at: http://www.bls.gov/cps/cps_htgm.htm.

BIA Labor Force Concepts

The BIA labor force report takes some concepts from the BLS/Census model, but uses a concept of "unemployment" that is defined in terms of joblessness, rather than one involving an active search for work within the previous four weeks.

In addition, the BIA labor force report counts only those eligible for BIA services residing "on or near" an Indian reservation or other BIA service area, such as former reservations in Oklahoma and Alaska Native villages.

The concepts used by the BIA nest within the following hierarchy:

Persons Age 16 and Over

> **Persons considered as Not Available for Work**, those whose personal circumstances make them unable to "assume or sustain gainful employment"
>
> **Persons considered as Available for Work**, all those ages 16 and over minus those considered as Not Available for Work
>
> > **Persons Employed**
> >
> > **Persons Available for Work but Not Employed**
> >
> > **Unemployment Rate**, the number Available for Work but Not Employed divided by the number considered as Available for Work

For more information on these concepts and definitions, see "2005 American Indian Population and Labor Force Report" issued by BIA and available at: http://www.doi.gov/bia/labor.html.

Web Links

Data from all of the sources described in this memo can be found on the Web. The basic links are:

- **BIA Labor Force Report Data**

  http://www.doi.gov/bia/labor.html

  This Web page provides access to each of the Labor Force Reports published from 1982 through 2005. The files are in Acrobat Reader (.pdf) format.

- **Census 2000 Data**

  http://www.census.gov/main/www/cen2000.html

  This is the main Web page for the Census 2000 data. It provides access to a wide range of information from that census, including access to a number of different files that contain the data.

  http://www.census.gov/Press-Release/www/2004/AIANSF.html

  This link provides access to the American Indian/Alaska Native Special File, prepared to provide access the "sample" or detailed data on the socio-economic characteristics of the population in each of the federal reservation areas and in other special American Indian/Alaska Native areas. Data is also available for the Alaska Native Regional Corporation areas.

  The "quick tables" available from this file in the Census Bureau's "American FactFinder" facility provide four different standard profiles of population and housing characteristics. Profile DP-3 provides data on labor force and income characteristics. If the data desired is just for the American Indian/Alaska Native population, the user needs to select this option. Otherwise, data for the total population in the area -- Indian and non-Indian -- will be displayed.

- **American Community Survey Data**

  http://www.census.gov/acs/www/

  This is the main Web page for the Census Bureau's American Community Survey (ACS). This provides access to a wide range of information on the ACS, including the data provided in the latest release. However, annual (one-year) data is available for only one federal reservation, the Navajo reservation. Three-year data is available from the 2007 data release for a very limited number of federal reservations, with labor force data available only for the Navajo and Wind River reservations.

- **Current Population Survey Data from the Bureau of Labor Statistics**

  http://www.bls.gov/cps/

  This is the main page for data from the Current Population Survey (CPS). It provides access to a variety of information, including the most recent monthly release on the employment situation. However, CPS does not publish any data on the American Indian/Alaska Native population.

- **Local Area Unemployment Statistics**

  http://www.bls.gov/lau/

  This is the main page for data from the Local Area Unemployment Statistics (LAUS) program, a cooperative program involving the US Bureau of Labor Statistics (BLS) and the various state Labor Market Information (LMI) offices. This page provides access to data for states, counties within each state and special labor market areas. However, the page does not provide access to any data specifically for reservation areas or for the American Indian/Alaska Native population.

- **The Arizona Workforce Informer**

  http://www.workforce.az.gov/?PAGEID=67&SUBID=142

  This page provides access to LAUS data from the Arizona Department of Commerce's LMI unit. The "Special Unemployment Report," available as either a Microsoft Excel (.xls) file or an Acrobat Reader (.pdf) file, includes data on each of the reservation areas within Arizona state boundaries. This data is in the last section of the files.

The CHAIRMAN. Mr. Keel, thank you very much, and thanks for your leadership at NCAI. We appreciate that and are happy to work with you.

Next, we will hear from the Honorable Harvey Spoonhunter. I know that because of the votes that are going to occur, I didn't call for opening statements. I know some of my colleagues have some, so when I recognize them for questions, perhaps we can integrate opening statements as well.

Mr. Spoonhunter, you have come a fair distance to be with us. We appreciate your being here.

Senator Barrasso, did you want to say a word about Mr. Spoonhunter?

Senator BARRASSO. Well, yes, I would.

STATEMENT OF HON. JOHN BARRASSO, U.S. SENATOR FROM WYOMING

Senator BARRASSO. Thank you very much, Mr. Chairman. I want to thank you for holding this oversight hearing today, and I want to begin by welcoming my friend Harvey Spoonhunter, who is Chairman of the Northern Arapaho Business Council in our home State of Wyoming.

And I want to welcome also our other guests. I thank all of you for being here.

Mr. Chairman, I asked Chairman Spoonhunter to testify today because, as a tribal leader on the Wind River Indian Reservation, he struggles daily with the problems of high unemployment among his people. According to a 2005 Bureau of Indian Affairs report, the Northern Arapaho Tribe's unemployment rate was 73 percent and Eastern Shoshone's was 84 percent. Well, that was five years ago, before the current recession gripped our Nation.

The employment situation on the Wind River Reservation is not unusual. Other reservations have similar or even higher rates of unemployment. While not everyone agrees on how to address this problem, there does seem to be a consensus on what some of the contributing factors are.

Mr. Chairman, with your permission, I will add the rest of my statement to the record, but I would like to once again join the Committee in welcoming our good friend Harvey Spoonhunter.

Thank you, Mr. Chairman.

The CHAIRMAN. Without objection, we will include the rest of the statement.

[The prepared statement of Senator Barrasso follows:]

PREPARED STATEMENT OF HON. JOHN BARRASSO, U.S. SENATOR FROM WYOMING

Thank you, Mr. Chairman, for holding this oversight hearing today.

Let me begin by welcoming Harvey Spoonhunter, Chairman of the Northern Arapaho Business Council in my home state of Wyoming. Thank you, Chairman Spoonhunter, for traveling so far to be with us here today, and the same thanks go to President Keel of NCAI and Gloria O'Neill of Cook Inlet Tribal Council in Anchorage. I thank all of you for traveling such great distances to give us your views.

Mr. Chairman, I asked Chairman Spoonhunter to testify today because as a tribal leader on the Wind River Indian Reservation, he struggles daily with the problem of high unemployment among his people. According to a 2005 BIA report, the Northern Arapaho Tribe's unemployment rate was 73 percent and the Eastern Shoshone's 84 percent. That was 5 years ago, long before the current recession gripped our country.

Sadly, the employment situation on the Wind River reservation is not at all atypical. Other reservations have similar or even higher rates of unemployment.

While not everyone agrees on how to address this problem, there does seem to be a consensus on what some of the contributing factors are. One example is lack of adequate physical infrastructure—good roads and bridges, public water supply and sanitation facilities, and adequate housing. Another factor, which is not unrelated to the infrastructure problem, is access to private capital.

As recent events have reminded us all, the financial sector is a critical component of a healthy, vibrant economy. And yet during the 19th and most of the 20th Centuries, there was almost no financial sector in Indian Country. That has changed in recent years, but barely.

Again, no doubt there are many explanations for the lack of private capital on Indian reservations, but we should do all we can to identify those reasons and then propose solutions. Simply putting a new paint job on old government programs will not be enough.

In fact, Congress alone cannot solve the problems of unemployment and lack of economic development in Indian Country. We must work with tribal governments and organizations to find new ways to incentivize private sector investment, to give them the tools they need to attract investment in energy projects and other non-gaming enterprises with long-term economic viability.

I hope the witnesses can provide the Committee with ideas on how the Congress can help turn reservation economies around.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Spoonhunter, welcome. You may proceed.

STATEMENT OF HON. HARVEY SPOONHUNTER, CHAIRMAN, NORTHERN ARAPAHO BUSINESS COUNCIL

Mr. SPOONHUNTER. Chairman Dorgan, Vice Chairman Barrasso, Members of the Committee, thank you for the opportunity to share with you some of the information that will hopefully be helpful to you as you look for ways to assist Indian Country reduce the unemployment rate and help Native people free themselves from the bonds of poverty and, in some cases, despair.

I know that the time of the Committee is limited, so my remarks will be brief, but I hope helpful. Let me begin by providing some basic facts about the Wind River Indian Reservation. The Wind River Indian Reservation is located on 2.2 million acres in central Wyoming. It is the only reservation in the State of Wyoming. We share the reservation with our neighbors to the west, the Eastern Shoshone Tribe.

The unemployment rate on the reservation exceeds 73 percent, as stated by Mr. Barrasso, and over 60 percent of the households live below the poverty line. With the opening of our three relatively

small casinos, the marketing of our organic beef from the Arapaho Ranch to Colorado-based food stores, and our sponsorship of the tribally-chartered Wind River Health Systems, a federally supported rural health system, we have begun to provide meaningful jobs outside of tribal government for our members.

Obviously, there are many issues that are specific to the Wind River Reservation that I could discuss with you that would help my specific tribe and reservation. However, I would like to take my time with you this afternoon to discuss two important issues that affect all reservations throughout Indian Country.

The Northern Arapaho believe that two changes to the tax code would be most helpful in creating jobs in Indian Country. We would like to see an elimination of the sunset provisions in the property depreciation schedule and the Indian employment tax credit.

Specifically, section 168(j) of the Internal Revenue Code has for many years provided an accelerated property depreciation schedule for certain property on Indian reservations. The property tax provision allows businesses to depreciate that property twice as quickly as it could be depreciated outside a reservation.

Second, the Indian employment tax credit allows businesses to take a 20 percent employment tax credit on the first $20,000 of qualified wages and health insurance costs paid to a tribal member or their spouse who live on or near a reservation. Both provisions have been renewed several times, but usually on an annual basis.

Large capital investments are seldom made on the basis of short-term planning. Without a fixed, long-term extension, businesses will be reluctant to factor the accelerated depreciation schedule or employment tax credits into their investment plans. The benefits of doing business on reservations needs to be seen by private enterprise as steady and predictable. In order to help encourage significant investment in Indian Country, businesses need to rely on long-term incentives.

Although these are not high profile issues and are not commonly discussed solutions, ultimately economic development cannot occur unless the private sector is encouraged to do business in Indian Country.

Mr. Chairman, Vice Chairman Barrasso, Members of the Committee, again thank you for this opportunity to discuss with you these important issues.

[The prepared statement of Mr. Spoonhunter follows:]

PREPARED STATEMENT OF HON. HARVEY SPOONHUNTER, CHAIRMAN, NORTHERN ARAPAHO BUSINESS COUNCIL

Chairman Dorgan, Vice Chairman Barrasso, Members of the Committee. Thank you for the opportunity to share with you some information that will hopefully be helpful to you as you look for ways to assist Indian Country reduce the unemployment rate and help native people free themselves from the bonds of poverty and in some cases despair. I know that the time of the committee is limited and so my remarks will be brief but I hope helpful.

Let me begin by providing some basic facts about the Wind River Reservation.

The Wind River Reservation is located on 2.2 million acres in Central Wyoming.

The unemployment rate on the Reservation exceeds 70 percent and over 60 percent of households live below the poverty line.

With the opening of our three relatively small casinos, the marketing of our organic beef from our Arapaho Ranch to Colorado based food stores and our sponsor-

ship of the tribally chartered Wind River Health Systems, a federally supported rural health system; we have begun to provide meaningful jobs outside of tribal government for our members.

Obviously, there are many issues that are specific to the Wind River Reservation that I could discuss with you that would help my specific Tribe and Reservation. However, I would like to take my time with you this afternoon to discuss two important issues that affect all reservations throughout the country.

The Northern Arapaho believes that two changes to the tax code would be most helpful in creating jobs in Indian Country. We would like to see an elimination of the "sunset" provisions in the property depreciation schedule and the Indian Employment Tax Credit.

Specifically, Section 168(J) of the Internal Revenue Code has for many years provided an accelerated property depreciation schedule for certain property on Indian Reservations. The property tax provision allows businesses to depreciate that property twice as quickly as it could be depreciated outside a Reservation.

Second, the Indian employment tax credit allows businesses to take a 20 percent employment tax credit on the first $20,000 of qualified wages and health insurance costs paid to a Tribal member or their spouse who live on or near a reservation.

Both provisions have been renewed several times, but usually on an annual basis.

Large capital investments are seldom made on the basis of short-term planning. Without a fixed long-term extension businesses will be reluctant to factor the accelerated depreciation schedule or employment tax credits into their investment plans. The benefits of doing business on Reservations needs to be seen by private enterprise as steady and predictable. In order to help encourage significant investment in Indian Country, businesses need to rely on long-term incentives.

Although these are not high profile issues and are not commonly discussed solutions, ultimately economic development cannot occur unless the private sector is encouraged to do business in Indian Country.

Mr. Chairman, Vice-Chairman Barrasso, Members of the Committee again thank you for this opportunity to discuss with you these important issues.

The CHAIRMAN. Mr. Spoonhunter, thank you very much for your testimony. We appreciate your being here.

We will next hear from Gloria O'Neill, President and CEO of Cook Inlet Tribal Council in Anchorage, Alaska.

Senator Murkowski, would you like to say a word about your constituent?

STATEMENT OF HON. LISA MURKOWSKI, U.S. SENATOR FROM ALASKA

Senator MURKOWSKI. Thank you, Mr. Chairman.

I am honored to welcome Gloria O'Neill to the Committee here this afternoon. Ms. O'Neill has been an outstanding leader, not only within our Alaska Native community in the Anchorage area, but throughout the State, and also at the national level working on the census issues, as so many. But she is an incredible advocate in so many different areas, and I am pleased and privileged to call her a friend as well.

So it is good to be able to welcome her to the Committee.

The CHAIRMAN. Ms. O'Neill, you have traveled a long way to be with us. You may proceed.

STATEMENT OF GLORIA O'NEILL, PRESIDENT/CEO, COOK INLET TRIBAL COUNCIL

Ms. O'NEILL. Thank you, Chairman Dorgan.

And before I start, I have to tell you that as I was flying here, I came down with a case of laryngitis, so I ask you for your patience while I get through my testimony.

Again, my name is Gloria O'Neill, and I serve as President and CEO of Cook Inlet Tribal Council, an Alaska Native tribal organi-

zation that serves as the primary education and workforce development center for Native people in Anchorage.

We accomplish our mission by connecting people to their potential through partnership. Our program serve Southcentral Alaska, with an Alaska Native and American Indian population of more than 42,000, or 40 percent of the Native population of the State. Anchorage is the fourth largest Native community in the Nation.

CITC serves approximately 12,000 to 13,000 participants annually, administering over 85 grants and contracts funded by the Federal, State and private agencies. Our programs address many of the social, economic and educational challenges faced by Native people.

Alaska Native students are twice as likely to drop out as their non-Native peers. The Alaska Native employment rate was only 54 percent in the first half of 2009. A disproportionate number of Native families live in poverty and find it increasingly difficult to make a living in rural Alaska due to the high costs of energy and food.

Without job opportunities, a large number are moving to Anchorage and other urban areas at an accelerated rate. Fifty-nine percent of CITC's participants have been in Anchorage for less than five years.

As we respond to many challenges and needs of our growing community population, CITC ensures wise community investment of government dollars. Our model is one of partnership, creativity and leverage. The most important tool we have in connecting Native people to their potential is our ability to utilize and leverage Public Law 102–477. Administered from DOI since 1992, 477 allows tribes and tribal organizations the ability to consolidate funding streams from various Federal agencies into a single employment and jobs training program. Public Law 477 has allowed CITC to transform employment and training programs from entitlement-based to an approach that fosters personal responsibility and leads to opportunity, choice and ultimately self-determination.

In order for us to truly meet this mission of creating pipelines of people who are trained and ready for work, we start with our young people by making a significant investment in education. Over 1,000 kindergarten through 12th grade Native students are enrolled in CITC core content classes that range from basic English, math, science to advanced subjects such as calculus and chemistry. We know an educated workforce is key to promoting economic prosperity.

The results? We place 1,200 to 1,500 in unsubsidized jobs each year in industries across the State. This equates to a conservative estimate of placing 13,000 Native people in jobs over the past decade. Of these, 1,800 families moved from welfare to work in the last three years.

CITC has also been able to successfully utilize 477 funding to create job opportunities through social enterprise. The benefit of these operations is twofold: allowing us to create businesses that are supported by earned income, while providing a longer term opportunity for participants to develop good job skills.

Through the leverage of funding and social enterprise, we have created approximately 75 community jobs on an annual basis. The

value of this law is that it requires a high level of accountability, while allowing tribal organizations to plan according to community needs, minimize administrative duplication, and maximize outcomes, while still adhering to high GPRA accountability standards.

As a result, nationally, the 477 Program achieved the highest OMB PART rating in Indian Affairs. Unfortunately, HHS is seeking to terminate participation and the transfer of funds within 477 without tribal consultation. In addition, OMB recently released 2009 mid-year audit compliance guidelines that require tribes and tribal organizations to track each funding stream under 477 separately and retroactively. This contradicts the intent of the 477 language and effectively undermines the administrative efficiency and flexibility of the program.

In summary, on behalf of CITC and the 264 tribes who participate in 477 and the communities we serve, whose needs grow more critical each day due to the current economy, I urge this Committee to consider, one, a no cost item that should be placed in the proposed jobs bill; amended 477 legislation and/or a legislative rider that, one, establishes the program as permanent; two, ensures full flexibility that allows efficiency, while maintaining high accountability standards; and three, utilizes funding vehicles such as 638 contracts and self-government compacts.

As a result of the demonstrated success over the past 18 years, I ask you for your support of the 477 Program. It is in the best interest of tribes, tribal organizations, Native people and taxpayers.

Thank you.

[The prepared statement of Ms. O'Neill follows:]

PREPARED STATEMENT OF GLORIA O'NEILL, PRESIDENT/CEO, COOK INLET TRIBAL COUNCIL

Chairman Dorgan and Members of the Committee, I am grateful for the opportunity to speak before you today.

My name is Gloria O'Neill and I am the President and CEO of Cook Inlet Tribal Council (CITC), an Alaska Native tribal organization which serves as the primary education and workforce development center for Native people in Anchorage. CITC has been designated tribal authority through Cook Inlet Region Inc., organized through the Alaska Native Claims Settlement Act and recognized under Section 4(b) of the Indian Self-Determination Act and Education Assistance Act, P.L. 93–638. CITC builds human capacity by partnering with individuals to establish and achieve both educational and employment goals that result in lasting, positive change for themselves, their families, and their communities.

Demographics and Expanding Service Population

Both directly and indirectly, CITC's programs serve the Cook Inlet Region with an Alaska Native/American Indian population of more than 42,000, which is approximately 40 percent of the Native population of the state of Alaska; some programs reach statewide. In Anchorage alone, the Native population is approximately 30,000 about 20 percent of the total Native population in the state. Anchorage is the fourth largest Native community in the nation.

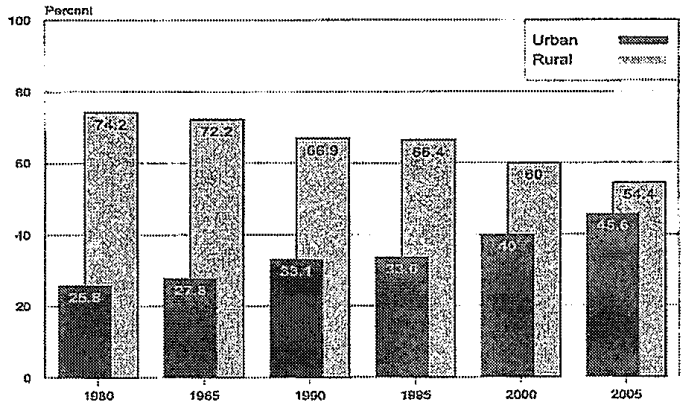
CITC's FY10 operating budget is $43 million, consisting of 85 grants and contracts from state and federal agencies, as well as corporate and individual support. CITC's programs address many of the social, economic, and educational challenges faced by Alaska Native people. For example, Alaska Native students are *twice as likely* to drop out as their non-Native peers; 33 percent of Alaska's unemployed are Alaska Native people, and almost 20 percent of Alaska Native people have incomes below the federal poverty line—nearly three times the rate of non-Native people.

As reflected in the chart below, in-migration is accelerating as Alaska Native people find it increasingly difficult to make a living in rural Alaska. Fifty-nine percent of CITC's participants have been in Anchorage for five years or less; and employment, training, and education are frequently cited as reasons for moving to Anchor-

age. In contrast, the current Bureau of Indian Affairs funding formula for CITC is based on the population figure of 14,569—from the 1990 Census—which leaves CITC deficient in funding the needs of the 42,000 Alaska Natives and American Indians currently residing in our service region.

Alaska Native Population By Selected Region, 1980-2005

("Urban" Includes Anchorage, Mat-Su, Fairbanks, Juneau and Kenai Boroughs)



Program Opportunities

With the support of Bureau of Indian Education Johnson-O'Malley funding, *CITC's educational programs* provide strength-based, culturally-focused educational support services in partnership with the Anchorage School District. CITC currently serves approximately *1,000* K–12 Native students and their families. Our programs encompass K–12 classrooms, focusing on increasing literacy and math skills as well as offering supplemental programs in high-level mathematics and science classes, and health and wellness. Our purpose is to impact overall academic achievement while decreasing the dropout rate of Native students, both of which are essential to job development and success. Given the projected increase in the Alaska Native population over the next years and the extent to which Alaska Native people will be the backbone of the state's workforce, an educated workforce is key to promoting economic prosperity.

With the support of the P.L. 102–477 program, *CITC's employment and training programs* are based on the premise that effective solutions to workforce development require integrated approaches to ensuring job readiness, training, and placement—approaches that are capable of moving people from welfare to work. Programs involve active cooperation between schools, social service agencies, job trainers, state and federal agencies, Native and non-Native for-profit employers, and CITC-owned microenterprises—all of which build ladders of opportunity for our participants. Since the inception of CITC's Tribal TANF Program in July 2005, *1,800* TANF participants have transitioned to unsubsidized employment.

CITC has been able to successfully utilize 477 funding to create job opportunities through social enterprise. The benefit of these operations is two fold: allowing CITC to create businesses that are supported by earned income while providing a longer-term opportunity for participants to develop good job skills. Through the leverage of funding and social enterprise, CITC has created approximately *75* community jobs on annual basis.

In close collaboration with our workforce development program, CITC is the sole provider of Temporary Assistance for Needy Families (TANF) and Bureau of Indian Affairs Welfare Assistance for Alaska Native/American Indian families in Anchorage. CITC has transformed TANF and welfare assistance from entitlement-based programs to programs of self-determination and personal responsibility. In CITC's TANF and welfare assistance programs, participants develop a mutual plan of action with their case manager that outlines their responsibilities: to get a job and

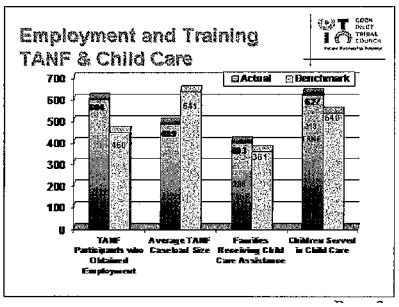
to participate in various training and support services to achieve that goal. As a result, the number of families dependent upon TANF and welfare assistance has decreased, with families making major strides toward self-sufficiency.

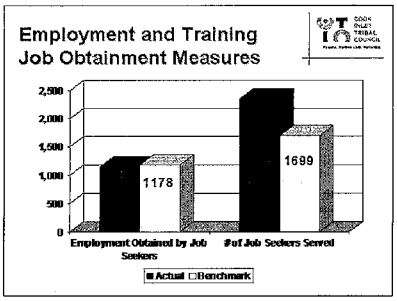
Accountability

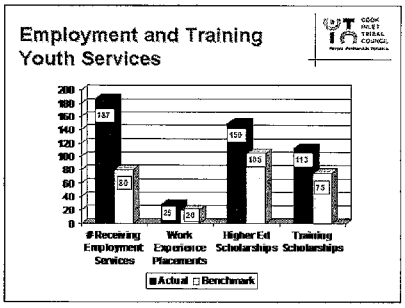
Program opportunities, such as Tribal TANF, require rigorous standards that are reflected in our organizational commitment to accountability. We have a mandate from the people we serve, from CITC's Board of Directors, from the federal and state sponsors of our services, and from our community as a whole, to provide the highest quality services possible. This is demonstrated by our history of stellar audits and a commitment to quality that can only be realized by rigorously and continually reassessing how we do business to determine how we may do better. CITC utilizes Continuous Quality Improvement (CQI) to enhance and improve the quality of CITC's services by gathering and analyzing an extensive set of statistics on program performance, as well as identifying areas for improvement. The resulting data is tracked through digital dashboards that provide powerful, at-a-glance overviews of program performance; highlighting areas needing improvement.

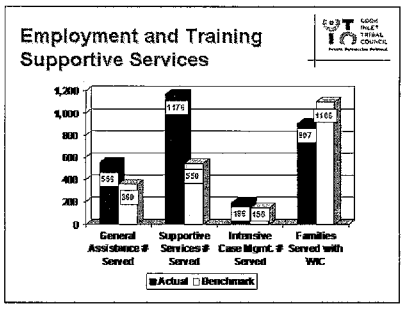
FY 2009 Cook Inlet Tribal Council Employment & Training Dashboard

- CITC consistently beats TANF goals by combining outcome-directed case management with a career center that links employers to work-ready employees.
- Job seeker numbers exceeded targets that were based on the prior year. Rising unemployment and urban migration were both significant contributing factors in fiscal year 2009.
- The need for supportive services was markedly higher than the prior year.









Public Law 102–477

Administered from the Office of Indian Energy and Economic Development, located in the Department of the Interior, *Public Law 102–477 (or the "477 program")* provides a critical foundation for maximizing the effectiveness of CITC's programs. The law allows the consolidation of funding streams from Department of Interior, Department of Health and Human Services, and Department of Labor, into a single employment and training program. The 477 program enables flexibility on the part of the receiving organization to plan the programming to best fit the needs of the community and minimize administrative redundancy by merging reporting require-

ments, while still adhering to the Government Performance Results Act's stringent accountability standards.

CITC has demonstrated that the 477 program is very successful in allowing the leverage of funding to increase effectiveness and innovation. As a result of our 477 program, for example, we have been able to put between *1,000* and *1,500* people to work *each year* and effectively reinvest TANF savings into related essential programs. In short, the 477 program is a "win-win" for the federal funders and CITC, since it eliminates wasteful inefficiency while maximizing program outcomes. 477 has succeeded in, and has even greater potential to allow tribes and tribal organizations to achieve economic prosperity for their people. In addition to being successful on the ground, the 477 program is fully accountable. Reflective of the national success of the program, the 477 program achieved the highest Office of Management and Budget PART (Program Assessment Rating Tool) rating in Indian Affairs.

However, the Department of Health and Human Services stopped transferring funding through the Department of Interior and P.L. 93–638. There has been no tribal consultation regarding this change in policy. The interruption of funding resulting from DHHS's decision to discontinue the transfer of funds puts our community and others at risk. Not only is this potential funding interruption injurious to our organization, and particularly to the people we serve, it is not in the best interests of taxpayers who have a right to expect the administrative efficiencies that the 477 program achieves.

In addition, the Office of Management and Budget released 2009 mid-year A–133 Circular compliance guidance that requires tribes and tribal organizations to track each funding stream under 477 separately and retroactively. This contradicts the intent of the 477 legislation and effectively dismantles the administrative efficiency and flexibility of the 477 program.

Specific Requests

On behalf of Cook Inlet Tribal Council and the community we serve—whose needs grow more critical each day due to the current economy—I urge this Committee to consider the amended 477 legislation and legislative rider. This legislation is in the best interest of tribal programs and participants, as well as taxpayers. It is imperative to maintain the high level of efficiency, effectiveness, and accountability that has been the hallmark of the 477 program. I would also ask the Committee to fully support the aforementioned Department of Interior Indian Affairs programs that are vital to our participants' success.

Thank you for your time and consideration.

The CHAIRMAN. Ms. O'Neill, thank you very much. Your voice held up just fine.

Ms. O'NEILL. It was tough.

The CHAIRMAN. All right. You did fine.

Mr. Conrad Edwards, President and CEO, Council for Tribal Employment Rights at Federal Way, Washington.

Mr. Edwards, thank you for being with us. You may proceed.

STATEMENT OF CONRAD EDWARDS, PRESIDENT/CEO, COUNCIL FOR TRIBAL EMPLOYMENT RIGHTS

Mr. EDWARDS. Mr. Chairman, Honorable Members of the Committee, my name is Conrad Edwards. I am a member of the Colville Confederated Tribes of Washington State.

I am known to my people as Hoolia, which translates roughly to Earth Runner. I am the President of the Council for Tribal Employment Rights and Chairman of the Advisory Board of the newly chartered Native Construction Careers Institute.

On behalf of the CTER Board of Directors and our construction trades union partners in the NCCI, I would like to thank you for holding this hearing today and inviting our testimony. We feel it presents a tremendous opportunity to address the unacceptably high unemployment rates that we have been talking about here today, and the deplorable social and economic conditions that it puts our Indian people in and we continue to endure.

Today, Indians and Native Alaskans are developing and are in control of more of our economic destiny than at any time in our history. We are becoming major contributors to the local, State, regional, national and international economies. We have strong tribal governments and growing tribal enterprises and industries, and yet our tribal workforce is still largely unemployed.

We feel this is due to the focus on business and governance, and not inclusive of labor, which is the final element of any successful social and economic development equation. The facts are that our average tribal workforce is 50 percent to 70 percent non-Indian and our unemployment rates are still 50 percent to 80 percent, depending on what reservation you are on and what time of the year it is.

In the midst of all of our economic strides, Indian employment is still just an after thought. Knowing what we know from our field of experience, we have chosen to approach the problem head on, utilizing Indian preference and tribal employment rights enforced at the tribal level.

The Tribal Employment Rights offices have done a very effective job of capturing public sector jobs and gaining compliance for many reservation employers while they are working in the community. Our experience shows us the problem is still much broader than that, requiring new initiatives, taking our tribal strategy to the next level of development.

Our expanded approach is detailed in our written testimony. Suffice to say here that we chose what is still the largest industry in Indian Country today, construction, as our arena. With $430 billion plus in vertical and horizontal construction scheduled to occur on or within 10 miles of an Indian reservation over the next 10 years, it presents plenty of opportunity.

With organized labor seeking to replace tens of thousands of retiring Baby Boomers and having the capacity to train and field qualified workers in a cost-efficient manner, they make a viable partner.

Our approach involves several key elements that when brought together have proven effective and cost-efficient, and at the same time are responsive and responsible to the tribes' project needs, values and priorities. The first element is tribal project labor agreements. It is an agreement between organized labor and the tribe. It can be project-specific or reservation-wide. It covers tribal sovereignty, tribal sovereign jurisdiction, wages, benefits, Indian preference, training, no strike, no lockout, dispute resolution, after project placement. And it was piloted at the Tulalip Indian Tribe when we built a $170 million casino on an 18-month schedule.

Mr. Chairman, on that project, there were 2 million hours worked, and 70 percent of those hours were worked by Native employees, contractor, or subcontractors. The project finished on schedule, on budget, and there were no disputes that either went to court or left the project. Now, the tribal labor agreement applies reservation-wide and Tulalip.

We now use that same model to develop these tribal project labor agreements in Minnesota, Wisconsin, New York, Alaska, Washington, Canada, Wyoming. And we include all crafts, all of the con-

struction trades. Again, I will refer you to the details in our written testimony.

The second element is Native Construction Trades Institute. It provides career-focused training onsite on tribal projects at game speed. We are doing actual construction projects and we are building actual buildings and facilities. And it is not practice. It is not pre-apprentice. It is actual construction work.

Union training curriculum for 100, 200, 300 hours by certified trainers, and it includes a 100 hour entrepreneurial element to create subcontractors and contractors at the same time we are training crafts people and develop small businesses. It has been piloted on the Blackfeet, Spirit Lake, Cheyenne River, and Wind River Reservations.

Thus far, we have trained 66 individuals. Fifty-nine of them have graduated and we have placed 89 percent of those graduates into actual projects and jobs. In the process, we have developed seven new small businesses on those reservations.

The tribes provide the materials, recruitment, support services. CTER provides onsite coordination with the project's budget and schedule, and with the Interior Energy and Economic Development Administration providing administration and technical assistance.

The third element is entrepreneurship. Seventy percent of all jobs in America are created by small businesses. Our strategy is to create small businesses to address the unemployment problem. We encourage the Committee to consider it in the construction of the jobs bill. And as Chairman of the NCCI, we are requesting the following.

We are requesting that $1 million be provided to NCCI construction training to 10 more tribes. We are requesting that $600,000 for pilot projects to expand the NCCI approach into other areas such as forestry and health jobs. We are requesting $500,000 to enable NCCI to establish a Center for Indian Jobs Creation. We are requesting $75 million be put in there for green job training projects through Indian Pathways Out of Poverty, a Labor grant program.

Small business development, $5 million to SBA for innovative Indian small business pilot projects on reservations in such areas as grass-fed beef, information technology, oil/gas development, small business development in connection with large development projects on and near the reservations; $5 million to SBA for Tribal Business Assistance Centers. This is to provide small business training and technical assistance to all levels of small business development, not just the cream of the crop.

Increase the BIA Loan Guaranty Program ceiling to $300 million; funding to the Department of Commerce, to establish an Indian Surety Bond Guaranty Program and to develop infrastructure, including specifically identified funding for Indian tribes on all infrastructure portions of the larger jobs bill.

In conclusion, this bill comes at a critical time when Indian tribes are transitioning between grants-driven economies to diverse capital economies. As a part of that transition, and adding the final element, is creating a tribal private sector. And that tribal private sector consisting of Indian small businesses is critical. It is the final element to that transition.

And finally, Mr. Chairman, Members of the Committee, I express our appreciation to you and Congressman Dicks for your presentations at the NCCI launch last September because it was one of the highlights of our launch. And we thank you also for your leadership in addressing this critical issue. And we thank you for the opportunity to provide our perspective today in this testimony, and I have done so for all our relations.

Thank you.

[The prepared statement of Mr. Edwards follows:]

PREPARED STATEMENT OF CONRAD EDWARDS, PRESIDENT/CEO, COUNCIL FOR TRIBAL EMPLOYMENT RIGHTS

Mr. Chairman and members of the Committee, My name is Conrad Edwards. I am a member of the Colville Confederated Tribes of Washington State, president of the Council for Tribal Employment Rights, and Chairman of the Advisory Board of the Native Construction Careers Institute (NCCI). Thank you for holding this hearing today on Indian unemployment and inviting me to testify. We hope it will be remembered as the beginning of a sustained effort to eliminate the unacceptably high unemployment rates that have plagued our reservations for far too long and have caused so much pain, suffering and loss of hope, particularly among our young people.

Chairman Dorgan, I would also like to thank you for your key role in getting funds for Indian construction worker training included in the Stimulus bill. Those funds were critical in enabling NCCI to expand from a pilot program to a full-scale program now operating on reservations in five states, and soon to expand beyond that. Finally, thank you for participating in the press conference announcing the launch of NCCI this past September. The inspiring words at the press conference from you and Congressman Dicks were the highlight of our launch.

Last week, NCCI sponsored a roundtable on Indian jobs creation at which 30 representatives from the White House, Federal agencies, Congress, tribes, unions and Indian businesses spent half a day brainstorming on innovative approaches for increasing Indian employment on reservations. In my testimony, I will first provide background on NCCI, describe some of the successes we have had working with tribes, and then discuss the recommendations that came out of the roundtable. We believe that many of them would be appropriate for inclusion in any Indian package that is developed for the large Jobs Bill now under consideration in the Senate. Other recommendations may be appropriate for a stand-alone Indian Jobs Bill if the Committee decides to take that route in addition to or in lieu of the larger Jobs Bill

Background on NCCI

NCCI is a unique partnership between Indian tribes and construction unions. Our mission is to create careers that provide good wages, fringe benefits, and pensions in the construction trades and other business sectors for Indians living on reservations, particularly those reservations that suffer from high unemployment. NCCI is a division of the Council for Tribal Employment Rights (CTER), a reservation- and community-based national non-profit corporation representing the interests of 300 Tribal Employment Rights Offices (TEROs). NCCI was founded by CTER, the Building and Construction

Trades Department (BCTD) of the AFL-CIO, and 14 national construction trade unions. Its Board of Advisors is comprised of the general presidents of those 14 unions, Mark Ayers, the president of BCTD, the executive board of CTER, and tribal leaders from around the country, including the Honorable Myra Pearson, chair of the Spirit Lake Tribe in North Dakota. I serve as chairman, Mr. Ayers serves as vice-chairman.

I know there are tribes that are concerned about labor unions organizing the casinos on their reservations in violation of tribal sovereignty. I want to emphasize that NCCI is composed of the construction unions only, which have no interest in using their presence on reservations while participating in NCCI activities to try to organize casinos or other tribal operations. But most importantly we have pledged in the NCCI Charter to respect tribal sovereignty and Indian preference and the unions agree to do so in every agreement they enter into with tribes. Our experience has been that the construction unions are fully respectful of tribal sovereignty and assist tribes to strengthen that sovereignty.

The NCCI Programs

NCCI presently operates two different programs. The first, our training program, was designed to help Indians get started in the construction trades. The second, educating tribes and unions about the benefits of Tribal Project Labor Agreements, was established to create the ongoing reservation opportunities the trainee graduates need to establish long-term careers in the construction trades. I will briefly discuss each of these programs.

A. The NCCI Training Program

The NCCI training approach consists of the following elements:

1. On-Reservation Training. The training must be provided on the reservation on actual tribal projects at game speed. We believe on-reservation training has the highest success rate and insures that the graduates will continue to work on or near their reservations, thereby enhancing the economy of their reservation.
2. Union-Quality Training. The training is provided by a union-recommended trainer who understands what the construction industry demands of its workers, though the trainees are not required to join the union to participate.
3. Short-Term Training Programs. The training is limited to 300 hours since the trainees only receive a stipend and we want to get them into the workforce and earning good wages as soon as possible.
4. Training Focused on Skills Needed for Available Jobs. To get the trainees into the workforce quickly but also insuring that they are successful at their first job, the training focuses on giving the trainees the specific skills they need to be qualified for jobs on a project that the TERO has identified as starting up soon after they complete their training. For example, on the Blackfeet Reservation, the TERO identified several large wind farm projects that would soon be starting near the reservations. These wind farms require a large number of concrete finishers to lay the foundations for the wind towers. NCCI provided the trainees with a 300 hour course in concrete finishing. The

graduates received a certificate and were quickly hired by the wind farm contractors. This was two years ago and many of them are still working for those contractors.

5. Immediate Placement Upon Graduation. The trainees, upon graduation, are quickly placed on jobs for which they have been trained, through a joint effort by the TERO and the respective unions.
6. Union Education, Not Mandatory Union Membership. The trainees are not required to join a union. However, they are educated about unions and informed about how, if they join a union, they can be classified as an advanced apprentice, receive continuing training paid for by the union to help them become journeymen, use the union hiring hall when there are no jobs on the reservation, and receive the union fringe benefits, including health insurance and pensions. For those trainees interested in joining the union, the TERO and the unions try to place them on union projects upon graduation.
7. Tribal Sovereignty. NCCI will not begin a project on a reservation until the Tribal Council has enacted a resolution authorizing NCCI to operate on the reservation. This is done both out of respect for tribal sovereignty and recognition that projects cannot succeed on reservations without the support and involvement of the elected tribal officials and other tribal resource programs.
8. Coordination of Tribal Programs and Resources. NCCI synergistically brings together the various tribal programs on the reservation to provide the trainees with the support they need to succeed. The TERO provides overall coordination, along with recruitment, screening, and placement upon graduation, the 477 or other job training program provides stipends and tools, social service programs provide transportation and day care, the housing authority provides building materials for the trainees' projects that involve renovation of houses. It has been inspiring to see how these different tribal programs have come together in a cooperative manner on every reservation on which NCCI has worked. We believe that this happens because all of them recognize how much sense the NCCI approach makes as a way of creating careers for their tribal members, while stretching tribal resources.
9. Helping the Community. The NCCI trainees learn through hands-on experience working on an actual project that will benefit the community when completed. On the Blackfeet Reservation, the trainees learned by taking a boarded up old housing belonging to the Housing Authority and completely renovating it into a beautiful home for a family. On Spirit Lake, the NCCI trainees renovated a dilapidated old commercial building owned by the Tribe, increasing its value from $200,000 to $1.5 million. As I will discuss in more detail below, on the Fort Berthold Reservation, the NCCI program will be renovating an old indoor horse arena so it can be used year round for equine assisted therapy, which has proven so successful in treating young Indians with emotional problems.
10. Entrepreneurship. If we are to increase Indian employment on reservations, we need to help Indians develop small businesses as well as become qualified workers. For this reason, we include an additional 100 hours in each of our

> NCCI program training programs for entrepreneurial training, teaching the trainees how to bid, estimate, order materials, etc. At the Spirit Lake Reservation, four of the graduates decided to set up their own subcontracting companies. One became a general contractor and three became subcontractors. Together they bid and won the contract to renovate the tribal offices and are now working on that project.

NCCI began in 2008 with two pilot projects, one on the Blackfeet Reservation and one on the Spirit Lake Reservation, with funding provided by the Office of Indian Energy and Economic Development (IEED) in the Department of the Interior. In 2009, Congress included funding in ARRA for seven more projects, the Federal Highway Administration has transferred funds to IEED for five projects that focus on highway construction, and Congress provided funding in the FY 10 Interior Appropriations Act for two more. With these various funds, NCCI has completed projects on the Cheyenne River and Wind River Reservations, is just beginning projects with the Three Affiliated Tribes and the Crow Tribe, and in the coming months will be starting training programs with the Shoshone-Paiute Tribes of the Duck Valley Reservation, with the Colville Tribe, the Ho Chunk Tribe of Wisconsin, the Lummi Tribe, and another project at Blackfeet and at Spirit Lake. In addition, the Cheyenne River Sioux Tribe hired NCCI to deliver a program using its own funds.

2. NCCI's Tribal Project Labor Agreement Program

The NCCI training program described above helps the trainees get started in the construction industry. However, in order for them to develop construction careers that provide steady employment, health insurance and pensions, they will need the additional training and additional hours on the job required to become certified journeymen, which is the gold card in the construction industry. They will also need a way to obtain work off the reservation when there is no work on it, and will need a way to have consistent health insurance and to build a pension that will permit a comfortable retirement.

The answer has two parts. First the workers need to join the union, since it pays for the training needed to become journeymen, issues journeyman certificates, and operates health insurance and pension programs for its members. But if the workers are going to be able to continue to live on the reservation, which most do, there also needs to be a steady supply of union work on the reservation.

The way to accomplish this is for tribes to consider making all or most of the construction projects on their reservations union projects by entering into Tribal Project Labor Agreements (TPLAs) with the unions. Project Labor Agreements (PLAs) are the standard agreement unions and either the owners or contractors on a building project enter into to make a project a union project, in return for no-strike and other commitments. Except in a right-to-work state, once a PLA is entered into, all workers on that project must join the unions signatory to the PLA. Last summer, President Obama issued an Executive Order declaring that PLAs were permissible on Federal construction contracts and GSA has

issued draft regulations strongly encouraging Federal agencies to enter into PLAs on large Federal projects.

Until recently, PLAs on reservation projects were rare, largely because of the historical hostility between tribes and unions. However, ten years ago, CTER and the Laborers Union jointly developed the Tribal Project Labor Agreements (TPLAs) approach that was modeled after PLAs but that placed under the sovereign jurisdiction of tribes such key issues as wages, benefits, training, Indian preference, prohibitions on strikes, dispute resolution, giving tribal members who did not want to join the union the right to opt out, and an obligation on the part of the unions to bring Indian workers to off-reservation projects once the on-reservation project was completed.

In 2001, the Tulalip Tribe entered into the first TPLA containing these terms for the construction of its new hotel and shopping center. Of the 2 million labor hours worked on this project, over 70% were worked by Indians, many received the training needed to become journeymen, and many stayed with the contractors and unions after the project was finished and went with them to work on such projects as the construction of the Seattle transit system, Seahawk Stadium and other projects in the area. Others stayed on the reservation to become part of the maintenance team of the tribal facilities. As a result, the TPLA both created immediate jobs for Indians and served as a springboard for long-term careers for those who wanted to pursue that opportunity.

Since then, tribes in seven other states have entered into TPLAs. NCCI has recognized that TPLAs are an important additional component to its efforts to create careers in the construction trades for Indians, in addition to training. By entering into TPLAs for construction projects on their reservations, tribes and Federal agencies can provide NCCI trainee graduates and other workers with the same opportunity to put in enough hours on union jobs to become journeymen, to develop union seniority so they can get placed on jobs off-reservation when there is no work on the reservation, and so they can have health insurance and pensions. However, the decision has to be made solely by the tribe pursuant to its sovereign authority, not imposed from outside.

With some of the FY 10 funding provided by Congress, NCCI applied for and has received a grant from IEED to educate tribes about TPLAs and to assist those that decide TPLAs are beneficial to negotiate them with the unions. NCCI will also be educating the Federal agencies that award construction contracts or grants on reservations about TPLAs, so they will be responsive if a tribe requests that a Federal or Federally funded project on its reservation be carried out under a TPLA. The funding for the TPLA initiative is just being put in place, but as discussed below, two tribes have already begun discussions with NCCI about TPLAs on their reservations, including one in North Dakota.

3. Examples of NCCI Activities on Reservations

Our NCCI team spent last week on the Fort Berthold Reservation working with the Three Affiliated Tribes to start up the first NCCI project for that Tribe. Senator Dorgan, I think

you will be pleased to learn that this project is training tribal members to work on the construction of the Elbowoods Memorial Health Care Facility that you worked so hard to obtain funding for. As has been the case on the other reservations on which NCCI has worked, representatives from a wide range of tribal programs came together to develop the plan, with each contributing an important piece. The TERO will serve as the single point of contact between the Tribe and the NCCI coordinator, will advertise for and select the trainees, and will use the TERO ordinance to insure they find jobs upon graduation; the 477 program agreed to provide funding for stipends and tools; the contractor building the Elbowoods facility assisted in determining what skills would be needed and agreed to hire the graduates; and our NCCI team, composed of our NCCI coordinator and union representatives, shared with the group the lessons NCCI has learned on other reservations.

One new element NCCI is exploring is the use of equine assisted workforce readiness programs so that the trainees not only develop construction skills but also the work ethic needed to be successful in any job. The Three Affiliated Tribes' 477 program, which has been doing pioneering work in taking equine assisted techniques developed in the non-Indian world and merging it with elements that build on the deep spiritual ties Indians have to horses, offered to provide that element to the NCCI training program. However, the only indoor horse arena on the reservation is not winterized and is badly in need of rehab work. As a result, the team decided to use that facility as its training site and Marion Construction, the Indian-owned contractor who is building the Elbowoods Health Facility agreed to donate materials. As a result, not only will the trainees be learning construction skills but they will be rehabbing the arena so the Tribe will be able to provide the equine assisted work readiness and therapy programs all year round.

The experience at Three Affiliated demonstrates some of the key aspects of the NCCI approach in action. It shows how supportive the Tribal Council is to participate in a program that will train its young people right on the reservation. It shows how the various tribal programs enthusiastically came together to contribute important pieces to the program. The decision to use rehabbing of the horse arena as the training site is an example of the creativity we have seen tribes consistently bring to NCCI projects – which shows what happens when you let each tribe design its own approach rather than telling it to follow a cookie-cutter approach developed in Washington.

With help from our NCCI team, the Three Affiliated Tribes is also exploring the other component of the NCCI approach, in that it is considering the possibility of entering into a Tribal Project Labor Agreement on another large construction project that will start up this spring. If the Tribe decides to go ahead with the TPLA, (and it is still under discussion) it will mean that for that project, the unions will be training the Indian apprentices on their own dime.

After finishing up at Three Affiliated last Wednesday, our team drove to the Crow Reservation to work with that Tribe. The experience there was virtually identical to that at Three Affiliated. The different tribal programs came together with excitement and creativity to design a program that will prepare tribal members with the skills they will

need to help build the $7 billion Crow coal to liquids plant now on the drawing boards. That Tribe is also exploring the use of TPLAs on upcoming near-term projects in order to provide an additional route for preparing its workforce for the coal to liquids plant.

RECOMMENDATIONS

I have divided our recommendations into two parts. The first are recommendations specific to NCCI. The second are the recommendations that came out of the Indian jobs creation roundtable we sponsored last week.

A. Recommendations for NCCI

1. NCCI Construction Worker Training

Where does NCCI go from here with its training and TPLA components? We think the answer is that it keeps doing what it has been doing – working on a tribe-by-tribe basis. We know there is sometimes a tendency to want to take a successful program and make it a national one that is implemented on every reservation through a directive from some Federal agency. We believe a rapid expansion of the NCCI approach would be fatal. As I tried to indicate above, each project has been tribal-specific, developed by the Tribe to tap its strengths and creativity, with some assistance from our NCCI coordinator. This kind of development is not amenable to a cookie-cutter approach.

When the TERO program was first started up in1977, we began by working with ten tribes. A year later, after they had successfully developed their TEROs, we worked with an additional ten tribes, and the same the third year. Today there are 150 tribes that have TEROs and an equal number of Alaska Native Villages, but it grew to this size slowly, based on the individual decision of a tribe to proceed with establishing a TERO. We want NCCI to grow in this same organic way. Many of the reservations on which NCCI has operated the initial project using Federal funds have gone on to allocate their own funds, generally from the revenue generated from TERO fees, to hire NCCI to provide additional training. Thus, like the original TERO program, NCCI is teaching a process that becomes self-sustaining after the Federal funds have been expended. We therefore believe that new Federal funds for NCCI training should be used to focus on new tribes that have not yet been exposed to the NCCI approach. NCCI is requesting that $1 million in funding be included in the Jobs bill to enable us to initiate projects on ten new reservations in the coming year.

2. Expanding the NCCI Approach into New Business Sectors

Secondly we have begun to explore other business sectors beyond construction in which tribes and unions can work together to create new jobs on reservations, focusing on areas that can be self-supporting. We have identified two areas with that potential.

a. The first is training to enable Indians to become home health aides and assisting some of the trainees to establish their own home health businesses. This will provide much needed care to the sick and the elderly on reservations,

reduce health costs, and be sustainable because much of the service they provide is covered by Medicaid or Medicare. Several of our participating unions have expertise in this area and have offered to work with us on the training.

b. The second is training in the forestry industry to assist the brave Indians who put their lives on the line fighting forest fires to develop long-term careers in the forest sector – in the forests, in technical jobs, and in administrative and management jobs. Again, several of our union partners have offered to work with us in such an initiative, which will ensure the workers will have health insurance and pensions – something forest fighters presently lack even if they have been fighting fires for 30 years.

NCCI is requesting $600,000 to enable it to pilot three projects in each of these two sectors.

3. A Center for Indian Jobs Creation

While job creation on reservations is so critical, there is no organization or center that is focused on this issue. There are organizations devoted to Indian business development, health care, education, energy, etc., but none for jobs. We believe that NCCI is uniquely equipped to perform this role because it is a partnership between tribes and unions and because it is the only national Indian organization devoted solely to job creation. Activities of the proposed center would include sponsoring regular Indian job creation roundtables like the one we held earlier this month (which the participants found to be valuable), developing new approaches for job creation, evaluating existing programs, such as Federal job training programs on reservations to determine ways they can be improved, and keeping a focus on this important issue which too often, in the past, has gotten lost. NCCI is seeking $500,000 in the Jobs Bill to start up this Center.

4. Authorizing a Tribal-Union Partnership

NCCI has submitted proposed bill language to the Committee that would authorize annual funding to a tribal-union partnership. This would be similar to the bill this Committee marked up authorizing a program similar to the Ironworkers Indian training program. A copy of the proposed language and explanation is at Attachment B.

B. Jobs Bill Recommendations from the January 14, 2010 Roundtable

The 30 representatives at the NCCI January 14, 2010 representing Congress, the White House, Federal agencies, tribes, unions and the Indian business community produced a range of recommendations for fostering job creation on reservations. Some of these involve appropriations, others involve administrative changes which could be addressed in the Indian Jobs Bill the Committee is considering. The recommendations are summarized below. The initial report from the roundtable, containing more detail on these recommendations is attached to this testimony.

1. Appropriations Requests
   a. Infrastructure Funding – Many of the participants emphasized that economic development requires a better infrastructure than is found on most reservations. Proof of that is on the Fort Berthold Reservation. If the members of the North Dakota Congressional Delegation had not fought for funding for the new bridge across the Missouri River west of New Town, the oil boom would have been severely hampered because the large tanker trucks carrying the oil from the Reservation to the refineries would have had trouble crossing the old narrow bridge that the new one replaced. Infrastructure development also creates construction jobs that will tie into the NCCI programs described above. Therefore, we urge Congress to include as much funding as possible for reservation infrastructure development in the Jobs Bill.
   b. Green Jobs – President Obama has made creation of green jobs one of his priorities, but the existing and proposed programs are not adequately serving Indian reservations. The Department of Labor, using ARRA funding, issued a solicitation for green jobs projects called Pathways Out of Poverty that involved partnerships among low-income communities, unions and educational institutions, which are perfect for reservations, particularly those participating in NCCI programs. Yet of the 55 projects DOL funded, only one was on a reservation. President Obama has proposed tax credits to encourage homeowners to weatherize their houses. While this is probably a good approach elsewhere, it will have little impact on reservations where few people own their own homes or have enough income to make a tax credit of any use. We therefore urge Congress to appropriate $75 million in the Jobs Bill to DOL for green job projects. In order to get the funding out quickly, Congress should direct that DOL use half of that money to fund green job proposals from reservations that were submitted but not funded under the solicitation mentioned above.
   c. Small Business Development – Small businesses create 70% of the jobs in this country, but there are an insufficient number of small businesses on most reservations. To promote small businesses, we urge Congress to include funding in the Jobs Bill for:
      i. Pilot projects to promote Indian small businesses in such promising areas as green jobs, agriculture, the provision of equine assisted therapy, forestry and home health.
      ii. Small business development around opportunities that are already occurring, such as the oil and gas development on reservations such as Fort Berthold that are experiencing oil and gas booms, and small Indian construction companies on reservations that will be having major construction, such as Crow, which will soon be building a $7 billion coal to liquids facility.
      iii. Tribal entrepreneurial assistance centers located on reservations. CTER will be submitting its comments on the legislation referred to the Senate by the House on the creation of such centers.

iv. Increasing the loan guarantee ceiling for the BIA loan guarantee program to $300 million.
v. Funding to the Department of Commerce to establish a surety bond guarantee program.

2. Authorization Requests for the Indian Jobs Bill

a. Streamlining – Many of the participants in the roundtable urged that Congress streamline the existing BIA system for obtaining business leases, oil and gas permits, and other job-creating activities. While the TERA legislation was an effort to do this, it has not been used by a single tribe in the five years since it was enacted, largely because it created a process that is as difficult to work with as the one it was trying to replace. A better one that actually streamlines needs to be developed.
b. A Jobs Mentality in the Federal Government – Indian unemployment and the hopeless it creates on reservations is a major cause of the high suicide rate among Indian youth. On the budget side, Indian unemployment costs the Federal government hundreds of million dollars or more a year. Yet Federal agency officials and tribal administrators running Federal programs resist efforts to use those programs to promote employment. Contracting officers and facilities construction administrators resist the use of Tribal Project Labor Agreements (TPLAs), are lax in enforcing Federal laws mandating Indian preference in contracting and employment (such as the Buy Indian Act and Section 7(b) of the Self-Determination Act), and they never think about the job and career implications of a project. They see their responsibility as that of producing the most bricks and mortar or other product, even if it means sacrificing the Indian job creation benefits of the program. For the reasons set out above, this is penny-wise, pound foolish, but it is understandable why these officials take this approach, since they have received no different guidance from their agencies. Tribal directors of programs, particularly those receiving Federal contract or grant funds, have the same attitude. To change this attitude and the funds it wastes in the long term, Congress should consider enacting legislation that directs every Federal and tribal agency engaged in an activity on or near a reservation involving Federal funds, when developing a contract or grant, to consider:

1) how can it be used to help Indian employment through the development not just of jobs but of long-term careers; and
2) how can it be used to help promote Indian businesses?

In sum, Congress should require an Indian Jobs Impact statement, an informal version of an Environmental Impact Statement, on each project funded by a Federal agency on or near a reservation. It should also designate a lead agency to develop consistent practices and to monitor compliance. Whatever small incremental costs this might cause will be more than offset by the savings that will accrue to the Federal budget through the reduction of reservation unemployment.

c. Better Coordination among Federal Programs Involved in Indian Economic Development and Job Creation

A key point of the Roundtable was the need for better cooperation and integration among the Federal agencies. Among other things, this should involve rethinking how Indian manpower training money is used. Right now there is little connection between how those programs operate and how other economic development programs operate. Manpower training programs, along with SBA programs, Rural Development programs, BIA programs, etc. operate in isolation. Tribes need to be allowed and assisted to treat all of these programs as a single pot for economic development, with the requirement that they focus on creating long-term Indian careers and businesses on reservations. There is a need to explore expanding the self-governance concept to agencies other than just the BIA and IHS so tribes can set their own priorities and combine funds to accomplish those priorities.

NCCI would be honored to have an opportunity to work with the Committee to convert these ideas into legislative provisions that could be included in an Indian Jobs Bill.

Conclusion

In conclusion Mr. Chairman and honorable members of the Committee, it is with hope our organization looks forward to working with you and being an integral part of this important legislation because it promises to be responsive and responsible to the tribal employment needs, values and priorities. Additionally, this initiative comes at a critical time in tribal social and economic development, a time when we are transitioning from grants-driven economies to diverse capital economies. Now that we have established strong tribal governments and viable tribal businesses and industries, it is time for us to establish a strong and viable tribal private sector comprised of tribal small businesses as the final element in our self determination foundation. This legislation provides the vehicle to get us to the next level of development. On behalf of the Council for Tribal Employment Rights, the Native Construction Careers Institute, our construction trades union partners, and our respective memberships, I thank you for the time and opportunity to share our perspective on Indian/Native job creation and I have done so today for all my relations.

ATTACHMENT A

RECOMMENDATIONS FROM THE JANUARY 14, 2010 ROUNDTABLE ON INDIAN JOBS CREATION

I. Short Term Administrative Actions

A. Develop a Jobs Creation Mentality within Federal Programs through the Establishment of an Indian Jobs Impact Statement Requirement, enforced by the Office of Federal Contract Compliance Programs (OFCCP, in DOL) in Conjunction with SBA.

Addressing Indian unemployment is an urgent life and death matter as well as a Federal budget issue. Indian unemployment and the hopelessness it creates on reservations is a major cause of the high suicide rate among Indian youth. On the budget side, Indian unemployment costs the Federal government hundreds of million dollars or more a year. Yet Federal agency officials and tribal administrators running Federal programs resist efforts to use those programs to promote employment. Contracting officers and facilities construction administrators resist the use of Tribal Project Labor Agreements (TPLAs), are lax in enforcing Federal laws mandating Indian preference in contracting, and employment (such as the Buy Indian Act and Section 7(b) of the Self-Determination Act), and they never think about the job and career implications of a project. They see their responsibility as that of producing the most bricks and mortar or other product, even if it means sacrificing the Indian job creation benefits of the program. For the reasons set out above, this is penny-wise, pound foolish, but it is understandable why these officials take this approach, since they have received no different guidance from their agencies. Tribal directors of programs, particularly those receiving Federal contract or grant funds, have the same attitude.

To change this attitude and the funds it wastes in the long term, every Federal and tribal agency engaged in an activity on or near a reservation involving Federal funds needs to be required, when developing a contract or grant, to consider:

1) how can it be used to help Indian employment through the development not just of jobs but of long-term careers; and
2) how can it be used to help promote Indian businesses?

Whatever small incremental costs this might cause are more than offset by the savings that will accrue to the Federal budget through the reduction of unemployment.

Immediate Action Steps The Administration Can Take

1. Give OFCCP and SBA the authority to require Federal agencies to develop an Indian Jobs Impact statement, an informal version of an Environmental Impact Statement, on each project funded by that agency on or near a reservation, and for OFCCP and SBA, in conjunction with TEROS, NCCI, Indian Timber Counsel,

Intertribal Agriculture Council, or other appropriate Indian intertribal organization, to work with the agency to help it maximize Indian job and business creation. Management should be evaluated on its performance in this regard, just as evaluating Federal managers on the basis of their compliance with affirmative action was the most important step in promoting diversity.

Examples of actions OFCCP, with help from SBA, could take:

a. Construction
    a. Require the agency, in conjunction with NCCI and OFCCP, to consider using a TPLA on every project, whether a direct Federal project or one funded through a grant to the Tribe. This needs to be done only with the tribe's full involvement and consent so there is a need to educate tribes about the benefits of TPLAs;
    b. In conjunction with each TPLA entered into, provide funding out of DOL discretionary job training funds or other sources, for NCCI type training, to assist Indians to prepare for work on the project and learn about careers in construction.
    c. Section 7(b) and the Buy Indian Act mandate preference in contracting, subcontracting and employment on all Federal contracts for the benefit of Indians. It has largely been ignored by the agencies. Give OFCCP government wide authority over 7(b) enforcement, working with the TEROs.
    d. Involve SBA, in regard to Indian preference in contracting and subcontracting, to help the agencies weed out fronts since the agencies do not have the expertise or time to adequately do so, and to provide technical assistance to the businesses receiving preference so they use the preference opportunity to become viable companies.
b. Forestry – When DOI and USFS spend money on forest and natural resources activities on or near reservations, they should be required to work with the nearby tribe, the Intertribal Timber Council, SBA, and others on creating Indian forestry businesses to perform the work.

There likely are many other ways Federal procurement activity on and near reservations can be used to promote Indian employment and business development if that mindset is created within the Federal agencies and tribes.

B. SBA

1. SBA, in conjunction with tribes and tribal companies, should develop ideas on how to use of the special rights that tribal/ANC 8(a) companies have to sole-source contracts in ways that create jobs on and near reservations, such as surveying Federal agencies to find out what contracts can be performed on reservations. When contracts that have the potential to create reservation jobs are identified, SBA should work with the relevant Federal agency to set those aside for tribal 8a firms. Examples include certain DOD and HHS information technology contracts that can be performed remotely, such as converting paper records to electronic formats.

2. Encouraging successful tribal/ANC 8(a) firms to train Indians in management through intern programs and incentivizing them to use reservation-based, Indian-owned subcontractors.

C. Low-Hanging Fruit

Many comments at the roundtable talked about the need for any new initiative to look for opportunities, rather than feeling it had to treat all reservations situations as equal. One way to do this is to focus whatever discretionary funds can be made available on "low hanging fruit". While most agencies' funding is restricted to formal grant programs, it is possible to move money around to fund the low hanging opportunities through Interagency funds transfers. Low hanging fruit includes:

1. Provide funds to develop and implement strategic plans at tribes that are or are about to experience economic booms such as the Crow Tribe's coal to liquid plant or Three Affiliated Tribes' oil and gas boom to ensure those booms result in long-term careers for Indian workers and long-term viability for Indians businesses, rather than simply creating a bunch of unskilled short-term jobs that leave the reservation in a "bust" mode once the boom is over, as has been the case for past booms on various reservations.

2. Fund pilot projects in promising areas of jobs/business development directing/encouraging the respective agencies to fund five (5) pilot projects in these areas, each of which was highlighted by participants at the Roundtable:

1. Forestry (USFS and DOI)
2. Agriculture, such as grassfed beef (USDA)
3. Home health aides (HHS)
4. Equine related programs to promote wellness and workforce readiness, while creating jobs (HHS and USDA)
5. Information technology

D. Streamline the Approval Process

1. Require EPA to recognize that, like China and the developing world, tribes did not create global warming and it is unfair to now penalize them by denying them the opportunity to build significant job creating projects, particularly when they are finally moving from passive lessor to owner. The Administration should give priority to approving the permits of such projects as Desert Rock (Navajo), the TAT refinery, and the Crow coal to liquids plant.

2. Pilot tribal development of strategic plans that focus on creating enduring, sustainable careers and businesses, with intensive technical assistance and broad flexibility through Federal willingness to waive requirements that create barriers.

II. Long-Term Administrative Changes

A key point of the Roundtable was the need for better cooperation and integration among the Federal agencies. Among other things, this should involve rethinking how Indian manpower training money is used. Right now there is little connection between how those programs operate and other economic development programs operate. Manpower training programs, along with SBA programs, Rural Development programs, BIA programs, etc. operate in isolation. Tribes need to be allowed and assisted to treat all of these programs as a single pot for economic development, with the requirement that they focus on creating long-term Indian careers and businesses on reservations.

III. Authorization and/or Appropriation Legislation

A. The 2010 Jobs Bill

Ask Congress for the following funding in the Jobs Bill:

1. Green Jobs – Appropriate $100,000 million to DOL ETA to fund Green Jobs initiatives. Given the important role green jobs will place in the future economy and the high priority given to such jobs by the Administration, it was disappointing to learn that DOL's Pathways Out of Poverty (POP) Green Jobs grant program only funded one Indian program, nothwithstanding a large number of applications from Indian tribes and organizations. In addition, the President's proposal to use tax credits to promote green jobs will produce minimal benefits on Reservations. Of the $50 million, half should be allocated to funding proposals already submitted under the POP solicitation, in order to get the money out there quickly.

2. Provide SBA's Office of Native American Affairs with $5 million to:
   a. Fund reservation-based Tribal Business Assistance Centers and incubators; and
   b. To fund the development of pilot projects to create Indian businesses that will employ reservation residents in high opportunity areas such as forestry, home health, energy, and equine assisted therapy and wellness.

3. Loan guarantees – Increase ceiling for BIA loan guarantee program to $300 million.

4. Fund a surety bonding guarantee program at Department of Commerce.

5. Fund as much reservation infrastructure as the Jobs Bill will permit, since reservations need a viable infrastructure in order to have a viable business sector.

Indian Jobs Creation Roundtable
Thursday, January 14, 2010
Hosted by: Council For Tribal Employment Rights (CTER)

NAME	ORGANIZATION
Dan Press	CTER
John Lowery	NCAI
Gilberto Garcia, Jr.	DOL-OFFCCP
Dante Desiderio	NCAI
Robert C. Bear	Shoshone-Paiute Tribes
Fred Brooks	Shoshone-Paiute Tribes
Greg Renne	IUDAT
Nicole Willis	DOL
David Powless	AMERIND
Dan Chapman	DOL
Jodi Gillette	WH-1614
Del Laverdure	ASIA
Bryan Newland	ASIA
Jessica White Plume	Three Affiliated Tribes (TAT)
Tamara "Tami" Dance	DAI (Dance Designs Inc.)
Junior Ortiz	DOL – (Vets)
Jeff Rickert	AFL-CIO Ctr. For EJ
Julie Falkner	House Appropriations
Bob Middleton	DOI/AS-IA
Tedd Buelow	USDA Rural Development

NAME	ORGANIZATION
Burt Johnson	Carpenters Union
Betsy Quilligan	Rep. Ann Kirkpatrick
Bob Krul	Bldg. & Construction Trades Dept.
Jemima Cameron	Many Stars CTL
Kenneth R. Roberts	Australia-American Energy Co.
Cedric Black Eagle	Crow Nation
Ed Hensley	Laborers Ins.
Pat Smultz	Laborers Union
Randall Simmons	Navajo Nation Washington Office
Amit Magdieli	DOL
Fred Clark	US Forest Svc.-Office of Tribal Rel.
Aubrey Black Eagle	Crow Tribe
Isha Mehmood	White House/IGA
Henry Stern	Van Ness Feldman
Kristen Burge	Crow Tribe-Office of Legal Counsel
Darrin Old Coyote	Crow Tribe-Exe. Branch Vice Secretary

ATTACHMENT B

Proposed Language That Would Authorize A Program Involving A Partnership Between Tribes and Unions and Explanation

AN ACT

To authorize the Secretaries of the Interior and of Labor to provide annual grants to partnerships of tribes and unions to assist Indians develop long-term careers in the construction trades.

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assemble;

SECTION 1. NATIVE CONSTRUCTION CAREERS INSTITUTE

(a) In General – To the extent funds are made available for this purpose, the Secretary of the Interior, acting through the Office of the Assistant Secretary for Indian Affairs, and the Secretary of Labor, acting through the Office of the Assistant Secretary for Employment and Training, shall annually provide grants to or enter into contracts with a national partnership between ten or more construction trade unions and Indian tribes or intertribal organizations that:

(i) assists Indians develop long-term careers in the construction trades as workers and contractors through the provision of on-reservation training programs and other activities; and

(ii) promotes cooperative efforts between construction unions and Indian tribes generally.

EXPLANATION

Many Indian reservations continue to suffer from unemployment rates in excess of 50%. The single largest economic sector on these reservations is construction. However, too few Indians have been able to develop long-term careers in the construction trades, even though these trades offer good wages, health insurance and pension plans. The major barriers have been (1) the absence of consistent training in the construction trades that leads to certification that is recognized in the industry, and (2) the ability of the Indian workers to find jobs off the reservation when there is no construction work in their craft on the reservation.

The construction trade unions are the recognized experts in providing training leading to journeyman status, and the unions have the ability to place Indian workers off of the reservation when there is no work on the reservation. In the past, the relationship between tribes and unions has too often either been non-existent or negative. In order to encourage unions and tribes to work together, the proposed legislation authorizes appropriations to union-tribal partnerships to (1) provide on-reservation training, supportive services and career guidance to assist Indians on reservations with high unemployment to develop long-term careers in the construction trades as workers and entrepreneurs; (2) assist tribes to learn more about unions and for unions to learn more about tribes; and (3) develop other innovative ways that tribes and unions can work together to assist the working men and women in this country. Since both the Department of the Interior and the Department of Labor have important roles in promoting Indian employment, the proposed legislation would authorize appropriations to both Departments, leaving it to the appropriations committees to decide which agency or agencies to appropriate funds to for the purposes set out in the draft bill.

The CHAIRMAN. Mr. Edwards, thank you very much. We appreciate it.

Mr. Laverdure, thank you for being patient. I know it was probably helpful also for you to hear the testimony from others.

My understanding is that you are re-working a report on the issue of unemployment on Indian reservations. It has been some while since a report has been issued, and you are scheduled to release the new report this summer.

Do you expect, based on what you know, to see any substantial difference between this report and its conclusions, and unemployment results from previous reports on Indian reservations?

Mr. LAVERDURE. Thank you, Mr. Chairman.

The report that is supposed to come out, which I know is to be every year or every other year. I recall in 2005 being referenced in this hearing on a couple of occasions. The labor force report that we are putting together is going to be more accurate because prior to that, it was either whether you were employed or unemployed. And so it could have exaggerated who was employed at any given time and erred perhaps on the side of favoring unemployment.

The other factors are going to be seasonal and temporary workers, and those will be factored in. So I think it will give a more complete and accurate picture this time around of oftentimes whether it is forest fighting season, summer contract worker or the like, and I think that more information is better to provide on exactly what types of jobs are there and how temporary they are.

The CHAIRMAN. Let me ask you very quickly, the issue of trying to develop incentives for renewable energy production. I am talking about renewable energy on Indian reservations because reservations have great capability to provide additional energy from fossil energy, oil, coal and so on. But are you focusing some as well on, or are there programs focusing on development of additional renewable energy?

Mr. LAVERDURE. I would love to discuss parts of the budget, but I am not allowed to until next week's rollout. Secretary Salazar on Monday is going to have a press conference and the Indian Affairs budget will be in there as well. But I think Secretary Salazar himself has said that he has supported increased funding for climate

change and renewable energy, and the Assistant Secretary's Office has had a seat at the table for all of those to try to join that initiative, such as the MOU they have in California to fast track various renewable projects. We are pushing to have comparable things happen in Indian Country.

Our biggest challenge is going to be access to the grid on the transmission because it is such a large infrastructure piece to be part of the energy corridors. So we are looking to be part of all of that renewable energy initiative and have fast track projects. We have identified 10 that we think could be fast tracked over the near term, and 66 total.

The CHAIRMAN. Thank you very much.

I am going to truncate my questions and submit questions in writing to the witnesses because the vote has started, and I want to make sure Senator Franken and Senator Murkowski have opportunities to ask questions.

Senator Franken first.

STATEMENT OF HON. AL FRANKEN,
U.S. SENATOR FROM MINNESOTA

Senator FRANKEN. Thank you, Mr. Chairman.

I am going to go back to something I brought up earlier for Mr. Laverdure.

There are a couple of tribes in Minnesota, Red Lake and White Earth, that have been waiting for years to build schools that they thought had been commissioned. And they were on some list that they can't get hold of, that no one can get hold of on where they are in order on school construction. And there just seems to be a lack of transparency in the Bureau of Indian Affairs on that.

Can you tell me something about it?

Mr. LAVERDURE. Thank you, Senator Franken, for the question. I recall from the Federal acknowledgment hearing you brought that issue up and have now pressed it even further. I did talk to the Program Director of the Office of Facilities Construction and asked him if he had submitted it, and he said he had submitted a list to your office two weeks ago, but it may not have been complete. It may not have had all of the rankings within that list.

The thing that I learned through the Director of the office was that it said on the No Child Left Behind rulemaking from 2003, 2004, there is a set of factors that are followed. And with those factors, which are largely based on a set formula for type of school and the amount that construction costs would be, the size of the rooms, a certain standard, that as the conditions of schools over time deteriorate, then some of those schools either move up or down that list.

And so he said when you send it out, it is like a financial statement where it is a snapshot, and then it changes depending on the schools that are in worse condition and they rise to the top. But I certainly will sit down and talk to him about that.

Senator FRANKEN. One of the schools that I am talking about that needs to be replaced at Leech Lake has like waterfalls in it because of the plumbing doesn't work. I mean it is, believe me, it would rise to the top of the list. And I asked my staff here if they

recall getting this list, and they don't recall getting it. So we will follow up with that, okay? Okay.

Mr. Edwards, I just want to talk about a potential alternative energy, green energy development on reservations, which seems—in Minnesota, we have a lot of wind. But one of the reasons is just a lack of private investment that we don't have the kind of projects we need.

For example, the Mille Lacs Lake Indian Reservation in Minnesota has been trying for the past year to access funding for a single wind turbine. They initially got low interest financing through a clean renewable energy bond, but in December the bond house hiked up the interest or said they would have to lift the interest so they can't actually sell the bond.

I would like to ask you about the Indian Guaranty Loan Program under the Office of Indian Energy and Economic Development. I understand that the loan program guarantees and insures loans. Is that right?

Mr. EDWARDS. Yes.

Senator FRANKEN. And that is supposed to reduce the risk to private investors to invest in Indian businesses. This program received $8.2 million in fiscal year 2010, is that correct? Did I hear that, Mr. Laverdure?

Mr. EDWARDS. I believe so.

Senator FRANKEN. Is that right? What does that allow tribes to do, $8.2 million for all of Indian Country?

Mr. EDWARDS. Not very much. I think that these loan guaranty programs I think are a critical element, but at this point are very much under-funded. And I think that the accessibility of them is something that is critical to small businesses to be able to act and to move quickly and nimbly in the process of developing small businesses.

So I think that that is an area that we would be happy to work conjunctively with Interior Department and the other partners at this table to make that process more efficient, more cost-effective.

Senator FRANKEN. Well, I hope we can do more. When you are having 50 percent nationwide unemployment in Indian Country, you almost don't know where to start, on education, on training, on credit, on and on.

So thank you all for being here today.

The CHAIRMAN. Senator Franken, thank you very much.

Senator FRANKEN. I have run out of time. Thank you.

The CHAIRMAN. Senator Murkowski?

Senator MURKOWSKI. Thank you, Mr. Chairman.

Ms. O'Neill, thank you for outlining some of the challenges that we face in providing those employment opportunities for Alaska Natives, and the recognition that Anchorage's role as the center, the home for so many is just growing by leaps and bounds.

We have had an opportunity to talk about the new OMB audit requirements for the 477 Program, and really how that dismantles this whole program and what the consequences are. We had a chance to talk about that these past couple of days.

Can you, for purposes of the Committee record here, just lay out what will happen if tribes are unable to comply with these new OMB requirements? I understand that, for instance with CITC, you

are probably able to go back and retroactively deal with this, but that in fact we will have some of our tribes that are unable to meet these requirements. And if you can just outline the consequences, please.

Ms. O'NEILL. Well, most tribes and tribal organizations are preparing to engage in their 2009 audits. We are just finishing our field work. It cost us about I would say $20,000 in extra audit costs, along with staff time, so it is probably $20,000 to $30,000. And we had to take many, many hours and resources to go back and realign the funding sources.

What the OMB circular says is that they would like us to categorize all of our funding sources by CFDA numbers. So that means if you have a 477 contract or compact, you could be pulling in three to four, in our case 11 different funding sources. The beauty of 477 is that we stay within the broad parameters of the law where it relates to service dollars. With the administrative costs that are associated with providing those services, we are able to commingle the funds in a very effective and efficient manner.

And I had an opportunity to meet with OMB this morning, along with staff from Department of Interior. We did not have staff from HHS at the meeting. There was agreement reached that we will work in partnership to try to resolve this issue for 2009, and we look forward to what kind of solution we can bring for 2010.

But it is an issue. We do not want tribes and tribal organizations to get into this and realize as they are in their audit that the circular applies to them in this last fiscal year

and to have an audit finding as a result. It is very detrimental to our programs and to the standards that we are trying to adhere to.

Senator MURKOWSKI. And we know those audit findings can be fiscally damaging to the tribes.

Mr. Laverdure, just in so far as what the plans of Interior and HHS are as you move forward to resolve these interagency disputes here, what is on the table?

Mr. LAVERDURE. Thank you, Senator Murkowski.

Actually, Bob Middleton, the Director of IEED, who has the 477 program, and I, are the agency lead. We met with HHS folks yesterday, in fact, and went over this issue. There are several different components to zeroing in on the OMB side, but there is also the Navajo Nation case that came up on 638 contracting issues. And we have talked to HHS and have relayed all the tribal concerns and will continue to relay the tribal concerns on having Interior as the lead and having these 638 and self-governance vehicles still be useful to try to access those TANF funds and minimize the reporting requirements.

So that has been our position. We are trying to work with HHS on the issue for an agreement.

Senator MURKOWSKI. Let me ask you, do you believe that HHS agrees and sees the merit in the efficiencies that we have gained through these 477s?

Mr. LAVERDURE. I think that they have. I think it is more a legal issue from the legal side of things, with the Office of General Counsel interpretation of the case and how far it goes.

Senator MURKOWSKI. Isn't it true, though, that the interpretation that has been out there has been in place for some 16, 17 years and now all of a sudden we are seeing a reinterpretation? I don't know if that is the right word.

Mr. LAVERDURE. Yes. Well, I will continue to foster good relations with HHS and say that we will work with them and try to do our best to resolve the issues so that the tribal communities can continue the way they have been.

Senator MURKOWSKI. Well, I appreciate that. I know that people like Ms. O'Neill and so many around the Country are anxious to have this resolved favorably and to be able to continue to utilize these efficiencies.

We recognize that the dollars are scarce and when we pull it all together, we are going to get more bang for our buck.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Murkowski, I am told that there is no time left on the clock for this vote, so you and I will have to be speedy.

I think this requires a much longer discussion, and I apologize for having to truncate it. I don't want to call a recess for 45 minutes. So what I think we will do is engage with all of you through submitted written questions to complete the hearing record, and for two weeks we will accept additional comments from those who wish to submit comments to this hearing.

We thank you very much for your testimony. This Committee will take this issue very seriously.

This hearing is now adjourned.

[Whereupon, at 3:40 p.m., the Committee was adjourned.]

A P P E N D I X

PREPARED STATEMENT OF BARRY E. SNYDER, SR., PRESIDENT, SENECA NATION OF INDIANS

Introduction

Mr. Chairman and members of the Committee, I submit this written testimony on behalf of the Seneca Nation of Indians and ask that it be included in the record of this hearing.

I want to commend the Senate Indian Affairs Committee for holding this vitally important hearing on unemployment in Indian Country. Now more than ever, preserving jobs is a top priority. With the national unemployment rate at 10 percent, the unemployment rate in Indian Country has climbed to 50 percent or higher. On many reservations and territories there is declining hope of meaningful job creation.

For generations it has been the policy and practice of the Seneca Nation leadership and government to encourage a robust private sector economy. The Seneca Nation has created a tax-free economy on our Territories which, like an enterprise zone, fosters local growth where it would not otherwise take place and where it is vitally needed. As a result, there is a vibrant entrepreneurial private sector economy in the Seneca Territories.

Unfortunately, all of this progress is at risk due to the Prevent All Cigarette Trafficking Act, S. 1147 ("PACT Act") which recently was favorably reported by the Senate Judiciary Committee. Known to many as the "Marlboro Monopoly Act of 2009", this bill would eliminate the vibrant private sector economy of the Seneca Nation.

The irony of your important hearing taking place at the same time the Judiciary Committee leadership is seeking to put a bill on the floor that will kill many jobs in Indian Country should not be lost on the members of the Senate Indian Affairs Committee.

The Proposed PACT ("Prevent All Cigarette Trafficking") Act Threatens to Violate Seneca Treaty Law

The U.S. House of Representatives has twice passed a form of the PACT Act. And a version, S. 1147, is pending action on the U.S. Senate calendar, having been reported by the Committee on the Judiciary on November 19, 2009.

The PACT Act would break new ground in Federal Indian law by vesting State governments with far-reaching Federal authority over economic activity on Indian lands. It would apply and enforce excise taxes of State and local governments on sales conducted on or from Indian Country. The bill would empower State Attorneys General to reach into Indian Country to sue individuals to enforce Federal and state law. Collectively, these new Federal law provisions likely will operate to induce State governments to abandon long-standing Tribe-State compacts and tax agreements, bringing to a halt what has become for some Tribal governments a substantial revenue stream. In breadth and scope, the PACT Act is to State tax power over all of Indian Country what Public Law 83–280 was to State criminal jurisdiction over some parts of Indian Country.

The PACT Act would make cigarettes non-mailable except within or to Alaska and Hawaii, effectively banning Internet sales being made from Indian Country by making it impossible to deliver the product.

Given the history of state-tribal tax compact negotiations, if enacted the PACT Act provisions will empower states to use their new Jenkins Act enforcement authority to forcibly re-negotiate changes to tax and enforcement Tribe-State Compacts or agreements throughout Indian Country and to continue to refuse to share Master Settlement Agreement payment and in lieu revenues with Tribes. The PACT Act will operate to induce State governments to abandon long-standing Tribe-State Compacts and tax agreements, bringing to a halt what has become for some Tribal governments a substantial revenue stream.

The PACT Act Would Swiftly Suffocate the Unique Economy of the Seneca Territories and Throw Our Region Into a Deep Depression

The Seneca Nation stands apart from the rest of Indian Country with a superlative private sector that dominates the commercial economy of the Seneca Reservations. About 240 private businesses, owned and operated by Seneca citizens, function on the Seneca Territories. Given that there were 1,176 Indian households on the three Seneca Nation Territories recorded in the 2000 Census, it is clear that most of the Indian households are receiving direct employment benefit from the Seneca private sector. This private sector Seneca economy provides income and investment capital typically not seen elsewhere in Indian Country, with Seneca entrepreneurs typically owning hotels, stores, franchises, and other small businesses that elsewhere are typically tribally owned or not Indian-owned at all.

A study in 2007 by Harvard University economist Jonathan Taylor found that $68 million in value-added (regional gross domestic product) in Western New York is associated with Seneca tobacco sales and $71 million state-wide. When gasoline and other non-tobacco sales are added, this number soars, with secondary sales generating more than $10 million in sales and excise taxes in neighboring jurisdictions as Seneca private sector demand for goods and services in the broader economy is taxed by New York State.

If the PACT Act were enacted, it would completely disrupt the tobacco product market on Seneca Nation Territories by removing the tax immunity guaranteed under the Seneca Nation's treaties with the United States. And it would completely shut down the Internet cigarette market that operates from Seneca Nation Territory.

The impact on the Seneca Nation economy would be devastating if the PACT Act were enacted into law. Likewise, the PACT Act would throw the entire economy in western New York into a tailspin. Thousands of jobs would be lost within 90 days of enactment. Hundreds of households would be thrown on to the unemployment and welfare lines.

The Senate Should Reject the PACT Act as a Job-Killer in the Middle of a Recession

The Seneca private sector economy arises from two primary sources: the Seneca Nation's sovereign exercise of authority over regulatory and tax policy that applies on the Seneca Territories; and the Seneca Nation's choice to have a tax-free and lightly regulated economy. Under the guise of protecting children from the dangers of smoking, the PACT Act would impose State taxing authority on treaty-protected Seneca Territory.

It is cruelly ironic that at the height of a recession the United States Senate is considering both a jobs creation bill and a job-killing bill. This Committee on Indian Affairs must not stand by idly while consideration of the PACT Act threatens to destroy tribal economies. It is even more ironic that this comes at a time when increased Seneca Nation regulation and lessening market demand is having the effect of shrinking tobacco sales.[1]

The Seneca Nation of Indians calls upon this Committee on Indian Affairs to actively exercise its function to protect Federal-Indian law and its foundation in Federal Treaties such as our Treaty of Canandaigua of 1794, 7 Stat. 44.

The Seneca Nation of Indians ("Nation") is recognized by the United States and the State of New York as a sovereign tribal government. The Nation is a signatory to numerous treaties and agreements with the United States which govern the relations between the Nation, the United States, and the State of New York, including matters regarding commerce and taxation. These treaties and agreements have their origins in deals under which vast land holdings were transferred out of Seneca Nation control in exchange for specific security and protection guarantees by the United States for the remaining Nation lands.

The Seneca Nation's Territories Are Immune From State Taxation

The Seneca Nation, our people and our lands, have been immune from State taxation since the United States was formed. Agreement after agreement has reiterated this tax immunity and the inherent, sovereign right of the Seneca Nation to regulate conduct within our Territories. This tax immunity is most notably protected by the United States through the Treaty of Canandaigua of 1794, 7 Stat. 44.

All legislation under consideration by the U.S. Congress, whether its purpose is to create jobs or to regulate the economy, must honor the tax immune integrity of

[1] In 2005, the State of New York estimated that retailers on Seneca Nation Territories sold 27.5 million cartons of cigarettes. From March 2007 through February 2008, the Seneca Import-Export Commission recorded sales of 17.3 million cartons as average prices declined.

our Territory. The federal treaty obligation—to protect the immunity of the Seneca Nation and its Territories from the reach of taxation by the State of New York and to protect our inherent, sovereign right to regulate conduct within our Territories—should be supported, not undermined by the U.S. Congress in every piece of legislation it writes.

The Seneca Nation Regulates Its Own Tax-Free Economy as an Expression of Its Tribal Sovereignty

In the exercise of its sovereignty over its Territories, the Seneca Nation enforces a comprehensive Import-Export Law it enacted in 2006 to regulate sales of tobacco and other products on its Territories. The Nation's Import-Export Commission regulates all aspects of tobacco and other product sales on Seneca Nation Territory. Among other functions, the Commission:

- Prevents the importation of tobacco products into Nation Territories only by licensed stamping agents;
- Prevents the sale of tobacco products without the affixation of a Nation import stamp and payment of the required import fee;
- Defines unstamped cigarettes as contraband;
- Requires accurate accounting of all stamps issued to Nation authorized stamping agents;
- Prohibits cigarette sales in excess of 9,800 cigarettes (lower than the Federal threshold);
- Imposes severe penalties, including loss of business license, for trafficking in contraband cigarettes; and
- Prevents the sale of tobacco products to minors under age 18.

As a result of the enactment and enforcement of its own tribal law, the Nation has gained regulatory control of tobacco and other sales activities on its Territories.

Conclusion

The rapidly growing Seneca Nation economy provides substantial benefits to the Western New York regional and State economy. In 2007, the Seneca Nation directly employed more than 6,300 workers in government and enterprise, giving them $191.3 million in compensation. The Nation's government, enterprises, and private sector brought in $1.1 billion in revenue in 2007, generating indirect and induced demand totaling an estimated additional $820 million and yielding an estimated $6 million in state and local taxes, over and above the $109.7 million exclusivity payment the Seneca Nation provided to the State of New York under its Gaming Compact. The Seneca Nation's tax-immune economy provides livelihoods for hundreds of Seneca households and the many businesses in the surrounding private sector of Western New York that meet their needs.

We ask that this Committee gather accurate, relevant, and reliable information regarding the Seneca Nation's regulation of tobacco sales taking place in our Territories. Our market competitors have fed great distortions to the U.S. Congress which need to be corrected before they are relied upon to make federal policy.

The Seneca Nation also asks that this Committee ensure that the United States Congress honor our treaties and protect our inherent, sovereign right to regulate conduct on our Territories, including our immunity from State taxation. Otherwise, there will be many more jobs to create than can ever possibly be created. Thank you for this opportunity to provide testimony and we ask that it be made part of the record of this hearing.

PREPARED STATEMENT OF DIMITRI PHILEMONOF, PRESIDENT/CEO, ALEUTIAN PRIBILOF ISLANDS ASSOCIATION

Introduction

Chairman Dorgan, Vice Chairman Barrasso, and members of the Senate Indian Affairs, it is an honor and privilege to appear before you today on behalf of the 13 Federally recognized tribes of the Aleut people to provide testimony today on American Indian and Alaska Native Unemployment. I am Dimitri Philemonof, President/CEO of the Aleutian Pribilof Islands Association and tribal member of the St. George Traditional Council. Our Association is the non-profit tribal organization of the Aleut people in Alaska providing services including cultural heritage, health, education, social, psychological, employment, vocational training, environment, natural resources and public safety services.

Before beginning my remarks, I want to extend a special thank you to you Chairman Dorgan for your 30 years of service in the U.S Congress and especially for your pledge and ongoing commitment to do everything you can to make your final year productive and in the best interest of American Indian and Alaska Natives.

Issues

As you know, in Indian country the unemployment rate is approximately 50%, ten times the national unemployment rate of 5.2%. When you consider that 31.2% of Alaska Native and American Indian families live in poverty and that high levels of poverty bring significant problems to our villages where few resources are available, a need arises for tribal governments to address chronic community social issues.

During a recent Community Job Forum our tribes overwhelming commented on the need to train local people for current and future jobs. It is critical that our villages continue to think outside the box when it comes to job creation and that individual initiative becomes a big part of the puzzle that needs to be encouraged and supported. Perhaps consideration for an allocation of ARRA funding for Adult Programs through the Employment and Training Administration/Office of Workforce Investment could be distributed to adult program operated by Indian and Native American programs. Individual initiative, collaboration, and subsidized employment opportuities that encourage entrepreneurship will promote the job creation our countries needs. The funds can be used to develop,

train, and provide opportunities for tribal people to obtain the skills and resources needed for them to become self-sufficient and in turn strengthen our national economy.

On the issue of expanding job creation opportunities, it is most important that Congress supports the proposed Indian Workforce Development Act which would make a lasting impact and increase the very effective initiative under the Indian Employment Training and Related Services Demonstration Act, Pub. Law. 102-477; this project has demonstrated 18 years of high proficiency and success in putting people to work. This success is due in large part to the fact that tribes are allowed to provide culturally relevant services and meets the tribal member where they are at in times of need. The proposed permanent legislations will allow Alaska Native and American Indian Communities to further meet the objectives of the Act, provide stronger tribal flexibility and ultimately meet the goal of the United States and Tribal Nations by expanding self-sufficiency and self-governance in Indian Country. We ask that you continue to move in the most expeditious manner to engage in tribal consultation on the 477 program and that the current moratorium be held indefinite until the issue is resolved.

Obstacles to job creation and self-sufficiency in our rural villages in the Aleutian Pribilof Island region are severely hampered by several factors. The ripple effect has had a devastating social and economic impact which is now compounded by the economic downturn our nation has been dealing with. The challenges for our tribal people are huge and often made even more impossible to deal with by these current conditions as well as unrealistic federal policies. For example, the Federal OMB Income Eligibility does not consider the higher cost of living in rural and remote Alaska. The income eligibility is the same across the State; living in our remote Tribal service area costs families substantially more than if they lived in Anchorage or the lower 48 states. The income of our families is artificially inflated, appearing to be over the program income eligibility guidelines for services. We believe the solution to the incredibly high cost of living in rural and remote Alaska is that rural and remote programs need exemption from the Federal OMB Income Eligibility requirements or a separate set of income eligibility requirements need to be developed for rural and remote programs in Alaska that more accurately reflects the cost of living in our region.

Transportation, fuel, and food costs to our villages in the Aleutian Pribilof Islands are at exorbitant rates making it impossible for some to continue to live in the region. Villages in the region are <u>only</u> available by air or boat. Many of the villages in our region get limited or no ferry services and the one airline business operating in our communities is very frequently unable to get to them due to the inclement and harsh weather. Over the last decade, energy prices have consistently increased and have been the most volatile kind of consumer costs, during the last 8 years energy cost have grown 100%. Our tribes need help with federal subsidizes to build infrastructure to build boat harbors, airports, and to assist with transporting the good of service (food, fuel, or other goods for creating business opportunity) allowing our tribal people the opportunity to become entrepreneurs and employed.

PREPARED STATEMENT OF HON. E.T. "BUD" MORAN, TRIBAL COUNCIL CHAIRMAN, CONFEDERATED SALISH AND KOOTENAI TRIBES

Thank you for the opportunity for the Confederated Salish and Kootenai Tribes (CSKT) in Montana to offer input on a situation that is destroying Indian families. A lack of meaningful employment, training and work opportunities on the Nation's Indian Reservations affects nearly every Indian reservation in the Unites States of America.

A lack of work on an Indian reservation compounds and worsens native – family problems including homelessness and generational poverty. Children's academic success is hurt by the interrupted school attendance and lack of academic success including no opportunity for stable school family interactions. The impact of overwhelming poverty on Indian Reservations results in increased child protective services referrals (abuse and neglect), increased criminal involvement, poor health status, increased suicide attempts and a general lack of hope that causes depression levels not experienced by most main stream Americans.

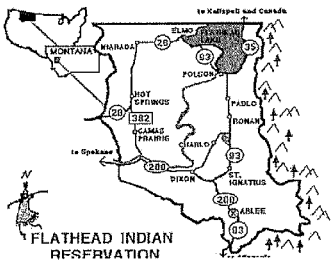
The inability to achieve self sufficiency that comes with having a job takes a devastating toll on all Indian families and the fabric of an Indian community.

Historically, unemployment rates on Indian reservations have been equal to or greater than the Nation's unemployment rates during the Great Depression. Indian people have been the victims of a continuous great depression since the creation of Indian reservations. Indian people have been the forgotten victims of failed Indian policies resulting in generational poverty.

Many folks involved in Indian Affairs are aware that the United States spends about $2,000 per Indian to provide health care services through the Indian Health Service while simultaneously providing more than $3,000 per prisoner to provide medical care through the Bureau of Prisons, $4,650 per Veteran and $6,800 per Medicare recipient. Sadly, Indian people receive a higher level of health care when incarcerated. This lack of funding equity contributes to the general poor health of the American Indian people. No one can be successful at school and at work if they are sick. No one can begin to address the problem of addictions if there are no treatment dollars. Obesity and diabetes will remain problems of Indian people if there are no prevention/intervention funds and no activities.

Indian people deserve the right to have access to affordable quality health care and the other services and life changing opportunities that are considered essential to the rest of America.

Brief Tribal History. The Flathead Indian Reservation, home of the Confederated Salish Kootenai Tribes, is located in northwestern Montana and encompasses 1.3 million acres in four rural counties, with the bulk of the reservation located in Lake County. Lake County's population is 27,919.



Twenty-four percent of Lake County's population is American Indian.[1] However, CSKT enrolled member's number 7,485 people, of which about 4,486 (16% of Lake County's population) live on the reservation and 2,481 live off the reservation. The CSKT members are a minority on their own reservation due to the Allotment Act and the Homestead Act which created a checkerboard pattern of land ownership on the reservation, decreased the centrality of tribal life, and resulted in a nadir of tribal ownership of land. By 1936, less than 30% of the land that had been set aside for the tribes' exclusive use remained for them. These demographics make cultural ties and tribal identity difficult to maintain, which in turn contribute to extremely high rates of family poverty, high unemployment, child abuse and neglect, substance abuse, and other indicators of distress among tribal members.

There are many distressing factors on our reservation. A portion of our tribal community suffers from a pervasive alcohol and drug crisis that is placing our families and culture at risk of destruction. On the Flathead Indian Reservation alcohol, drug addiction and dependency are the number one problem, which in turn contributes to all other problems—family dissolution, child abuse and neglect, poverty, mental health issues, low rates of educational attainment, and domestic violence. These issues affect 95 percent of American Indian and Alaska Native families.[2] Salish and Kootenai families suffer from serious problems with generational substance abuse, with 40-50 percent of the population experiencing Alcohol Related Neurological Disorders (ARND) from binge substance use.[3]

Tribal substance abuse is directly related to CSKT's rising youth delinquency and crime rates. Drugs and alcohol abuse affect the community in many ways. Tribal child

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[1] US Census 2000.
[2] Indian Health Service Accountability Report, 1998.
[3] Research conducted over several years by Dr. Phillip May as part of a University of Arizona project, *Healthy Beginnings: Choosing a Substance Free Pregnancy.*

protective service referrals generally outpace the non-Tribal referrals in Lake County at a rate of 4 to 1. In other words, there are four tribal CPS referrals for every non-Tribal or county referral in a County where only 16 percent of the population is enrolled in CSKT.

The CSKT operate the Tribes' Temporary Assistance to Needy Families (TANF) program. Forty-five per cent of the TANF caseload has experienced domestic violence, 60 percent having been homeless at some point, and more than 50 percent as having been affected by substance abuse[4]. Almost half of all families with referrals to tribal CPS between 1999-February 2005 had experienced multiple incidents of domestic violence. In 2005, Safe Harbor, the nonprofit domestic violence service on the reservation, served 146 primary victims of domestic violence and their children, providing shelter to 56 of those victims. Fifty-seven percent of those served were American Indian. Safe Harbor also reports that close to 100 per cent of its clients have severe substance abuse problems.[5]

The low high school completion rate and incidence of non-enrollment in schools on the Flathead Reservation are major concerns. The Montana Office of Public Instruction reported that the 2000-2001 completion rates for American Indians at Ronan High School were 66.7 percent. In addition to students who drop out, there are the students who fail to enroll. Many of these children are not accounted for and there is no opportunity for academic success. CSKT TANF data also indicates that 50 percent of the CSKT TANF caseload does not read comprehend or communicate at an 8th grade level.[6] The lack of functional skills impacts job success.

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[4] DHRD – Client self report and blue survey book done at intake and assessment – case manager interviews.
[5] Montana Coalition Against Domestic & Sexual Violence, Statewide Database, 2005.
[6] The Department of Labor establishes the 8th grade level as a functional employment level for most jobs. The CSKT DHRD offers both a GED bonus and a bonus when clients increase their reading and math scores, which translates to greater opportunities for employment and increased self-esteem.

According to the Bureau of Indian Affairs, 1,075 of CSKT's enrolled members are employed, but 59% of those employed live below the poverty line. We have many discouraged workers who have not had work in over a year or even in the last five years. Most Tribal members do not sign up for work at the Job Service as there is really no reason to do so. In October 2009, there was one day when 1,400 people were competing for 53 jobs. This is an economy in distress. BIA estimates the average unemployment rate in Montana Indian's reservations is close to 66%[7]. The same 2003 BIA document estimates that of those Tribal members who are employed, 36% remain below the poverty guidelines.

When evaluating the CSKT child protective service referrals for 2005 – 2006 referrals, 80 percent of the CPS referrals are on unemployed persons. Many of these involve young Indian fathers who are not contributing members of the identified household. This means the father and mother are not married, do not live together full time, do not have a financial plan, the parents have children who attend classes in multiple school districts and they have no consistent means of supporting a family. This is why there is generational poverty – no jobs and no opportunity to obtain consistent stable employment. These overwhelming problems persist today.

The CSKT people welcome the opportunity to offer input into the subject matter and offer solutions to the problems that have continued to plague our reservation. Our input will touch on legislative challenges and solutions. Then we will identify projects we would implement if provided with funds that would come direct to the Tribes, under a jobs stimulus package.

CSKT Legislative Challenges and Solutions:

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[7] 2003 BIA calculation of unemployment rates for Montana Indian Reservations

Challenge: Sovereignty to the CSKT Tribes means that the Tribes have the same opportunity as other governments. Included in this area are property ownership, property management and actions we could undertake to develop new businesses. The CSKT people want the honor and responsibility of full self-governance and expect to have the authority to take whatever actions necessary to perpetuate and protect Indian homelands. For instance, it is our right to purchase lands on the reservation and have **lands taken in trust** to ensure the perpetuation of our tribal homelands. The Secretary of the Interior and its Office of the Solicitor must be directed to protect that right. Millions of acres of Indian land within the exterior boundaries of our reservations have been lost even since the treaties were signed in the mid 1800s. Efforts must be made to help Tribes consolidate our land holdings and **end the fractionation** of Tribal homelands that creates so many problems. Helping tribes keep lands in trust and consolidate land holding by eliminating checker-boarded lands would be a tremendously important step as would ensuring that fee lands, particularly those within reservation boundaries, can be readily converted to trust status. Complicated land policies and outdated BIA real estate processes prohibit and discourage new business development on Indian Reservations. These outdated policies impact our ability to attract employers and create new businesses to support a healthy economy.

Solution: We recommend that an immediate initiative be directed to streamline DOI and BIA real estate policies to protect Tribes' rights to immediately put land into trust upon acquisition. Introducing federal legislation to provide generous tax credits to businesses locating on Indian reservations is essential to creating healthy Tribal economies. Creating new business opportunities is the first step toward improved employment rates on all Indian reservations.

Challenge: The Tribes must be eligible to participate in all programs that state and municipal governments participate in. We ask that the Senate initiate action to ensure that Tribes can partake in long standing programs where Tribes have been barred from previously. For instance, the Land and Water Conservation Funds and Federal Aid funding such as the Pittman-Robertson and Dingell-Johnson monies are

examples of such programs. These funds receive fees from activities that take place on our reservations yet we get no direct money from these funds at all.

Solution: If our Tribes were eligible for these fees which are directly generated from reservation resources, we could invest in training, job development and new business. This is just another example where Indian Reservations and Indian people are forgotten. For the Flathead Reservation, fees are generated off the South half of Flathead Lake and from local reservation based outfitters and bait shops yet we are not eligible to receive a fair share of monies from those funds. Many land owners earn income from resources and property they own. Why not us?

Challenge: Over the past several years Tribes who participate in the BIA PL 102-477 initiative have all experienced difficulty with the continuing "turf" battle between HHS and the BIA over interpretations of the PL 102-477 law and regulations. This is the Indian Employment, Training and Related Services Demonstration Act which allows participating tribes to consolidate fragmented employment and training and reduce redundant bureaucratic reporting and auditing requirements. The consolidation of programs offered by the Departments of Interior, Labor, Education and HHS has been implemented effectively and efficiently on Indian reservations. It has been administered through the BIA in DOI. In 2004 OMB gave the 477 program a high rating. These federal agencies have frustrated the people in the field who work hard to be efficient and effective in delivering services. This "turf" battle interferes with the most important employment and training tool available to Tribes and that is the 477 initiative. This must stop. Additionally a moratorium affected for this program (essentially allowing it to continue) expires on March 30, 2010 at which point the consolidation would cease and the programs would be fractured and duplicative paperwork would once again be required.

Solution: Offer immediate legislation to bring to an end to agency bickering and to strengthen the role, authority and continued ability of Tribes to operate PL 102-477 plans that promote employment, training and job development. Allow us to fully use this effective tool that has been provided to Tribes working on training, workforce development, and employment. Every day that this is not addressed is another loss

of jobs in Indian Country. We would recommend the inclusion of the following bill language into the Jobs for Main Street Bill in the Senate:

> *Notwithstanding any other provision of law, including Public Law 93-638, as amended, or any auditing or reporting circular of the Office of Management and Budget or related compliance memoranda, hereafter agency funds subject to a plan covered by Public Law 102-477, as amended, shall be consolidated and made available to tribes or tribal organizations under existing contracts, compacts and funding agreements entered into under titles I or IV of Public Law 93-638, as amended, and tribes and tribal organizations carrying out such plans shall not be required to separately account for the expenditure of each agency's funds once such funds are consolidated and paid pursuant to such plan.*

Challenge: Comparisons of financial allocations to natural resource areas such as BIA Forestry compared to what is spent on national forests continue to show that Indian people (or in this case Indian forests) are treated as second class citizens. This is the same issue as health care funding. These funding inequities result in a loss of opportunity and jobs at the local level. These inequities must be acknowledged and changed immediately.

Solution: Sponsor legislation to mandate the equalization of funding, ensuring that all Indian Nations receive the same treatment as States. Where there is a funding equalization issue, commit to the solution and fix it. If Forestry funding were equalized, the CSKT Tribes and all Tribes could train and employ more people and create a healthier forest and Tribal economy.

CSKT Jobs Projects:

The CSKT Tribes have developed a list of potential projects that could be funded by a Jobs Initiative, where persons previously disadvantaged and disconnected could benefit. The goal would be to make better connections and provide a job opportunity to the unemployed members of the CSKT Nation.

The CSKT Indian people face unique employment and training needs. Our jobs projects are concentrated on areas where there is a distinct relationship between our Tribal member and our homeland. These projects would promote the greatest number of jobs and have the greatest impact on unemployment rates. These are

just a sample of the types of projects that could benefit the CSKT and Indian Country in general.

- Tribal Forestry thinning and revegatation (see the initiative recommended by the Inter-tribal Timber Council - ITC);
- Weed Treatment on Tribal Lands to improve productivity of lands;
- Fencing on Tribal Lands to improve opportunity for local operators;
- Eradication of invasive and not-native fish in Flathead Lake;
- Construction training through Salish Kootenai College to build log homes for Tribal families;
- Native Plant restoration;
- Trail preservation activities;
- Wild land Recreation Trail development, improvement and maintenance;
- Healthy forest initiative to remove small diameter timber as part of fuels reduction in wild land fire prevention (again see ITC initiative);
- Training and technical assistance to complete weatherization of Tribal homes;
- Restoration of all areas previously burned in wild land fire disasters;
- Creation of community gardens to promote activities and address the lack of good nutrition;
- Environmental restoration on lands previously affected by drug and meth activity;

In summary, if the Congress is going to address 10 percent unemployment within the United States as a whole it should be truly alarmed and willing to include significant funds for programs in Indian Country where the average unemployment frequently exceeds 50 percent . Tax incentives for businesses locating on Indian reservations

should also be offered as should efforts to assist CSKT in land consolidation and the immediate designation of reservation land into trust upon its acquisition. The Congress should ensure that Tribal sovereignty and jurisdictional authority are fully protected and support CSKT participation in programs and funds that are otherwise made available to state governments. The "477 fix" contained herein should be included in the Jobs bill and the Congress should endeavor to ensure that tribes have parity with other jurisdictions such as forestry funds compared to USFS allocations, health care dollars compared to other federal beneficiaries and policing in terms of personnel, facilities and equipment.

The CSKT Nation remains concerned about joblessness in Indian Country. As the Senate reviews the causes and impacts of double digit unemployment rates, the economic concerns of Tribal governments and their memberships cannot be overlooked. Tribal governments and Tribal economies must be included in any jobs relief endeavor. Please feel free to contact our Tribes for additional information at any time. Thank you for the opportunity to offer written comment.

PREPARED STATEMENT OF HON. A.T. RUSTY STAFNE, CHAIRMAN, ASSINIBOINE AND SIOUX TRIBES, FORT PECK INDIAN RESERVATION

As Chairman of the Assiniboine and Sioux Tribes of the Fort Peck Indian Reservation, I thank the Committee for the opportunity to submit this testimony and ask that the Committee work to ensure that Indian country is included in the Jobs for Main Street Act, H.R. 2847. In particular, we urge that the Committee work to ensure that infrastructure jobs in Indian country are created and supported by this legislation.

The Tribes greatly appreciate that the Jobs for Main Street Act as passed by the House includes $310 million for the Indian Reservation Roads Program. As the Committee knows, the transportation infrastructure in Indian country ranks as some of the poorest in the Nation and greatly contributes to the high incidence of traffic fatalities and injuries across Indian country. We urge the Committee to support this level of funding in the Senate version of this bill. The Tribes also greatly appreciate that the House bill includes $2 billion nationally for the Safe Drinking Water and the Clean Water Revolving loan funds, of which 4% is set aside for tribal governments. This additional funding is necessary to address the almost $2 billion backlog in sanitation facilities construction within the Indian Health Service.

However, the Tribes are disappointed that the bill only includes $100

million for the Bureau of Reclamation, with $26 million allocated to water reuse and reclamation programs and $30 million allocated to protecting and improving California water supplies. There are seven Congressionally authorized tribal water projects, which need additional funding if they are to stay on schedule. These projects will provide good clean drinking water to Tribal communities that either have no water or the water is so contaminated that it is not safe to drink. These water projects will serve more than 200,000 people and 9.4 million acres of Indian reservation and trust land in four states. Unemployment in these tribal communities ranges between 52-89%.

One of these Projects, the Fort Peck Reservation Rural Water System, authorized by the Fort Peck Reservation Rural Water System Act, PL 106-382, will serve my Reservation. This project, which is 37% complete, will provide safe drinking water to 30,000 residents of Northeast Montana, whose water is either not safe to drink or they have no water at all. The Project includes an historic partnership with the non-Indian communities surrounding the Reservation who suffer from the same disastrous water quality issues as the people living on the Reservation.

As last year's stimulus funding demonstrates, all of the Tribal water projects, including the Fort Peck Reservation Rural Water System, are shovel ready and could immediately use additional funding to employ people and support

not only tribal communities, but the many local economies across rural America that will benefit from this infusion of resources. The Fort Peck Reservation Rural Water System alone has the capability to spend $60 million in FY 2010. This level of funding would complete the main transmission pipeline across the Reservation and the transmission line to Culbertson. This will finally bring clean fresh water to the largest communities served by the Project.

An additional $60 million for the Fort Peck Project will create 488 full-time equivalent construction jobs. In Roosevelt County, the largest County served by the project 32% of the people are living below the poverty line, with 48% of families with children under five living below the poverty line. Unemployment on the Reservation is in excess of 50%. Thus, not only are solid wage jobs desperately needed to lift our families out of poverty, but quite frankly the Reservation needs jobs of any sort.

A recent letter signed by eight Senators called on the President to increase federal spending to support the continued construction of Rural Water systems across rural America by $235 million. We attach a copy of this letter with this Testimony. We strongly urge the Committee to support this level of funding for Tribal Rural Water Systems in the Jobs for Main Street Act. We again thank the Committee for the opportunity to submit this testimony.

PREPARED STATEMENT OF KATHERINE GOTTLIEB, MBA, PRESIDENT/CEO, SOUTHCENTRAL FOUNDATION

SCF proposes that the Committee on Indian Affairs work with the Senate leadership to insert into the 2010 Jobs Bill the sum of $45.8 million in contract support costs in order to accelerate into this year the hiring of healthcare personnel employed by Tribes and tribal organizations that contract or compact with the Indian Health Service under the Indian Self-Determination Act.

As you know, for many years the IHS has been severely underfunding the government's contract support cost obligations to the Tribes and tribal organizations that operate IHS clinical facilities and other healthcare programs. These contract support costs are fixed costs. This means that, when IHS does not pay them, we have to reduce our programs dollar for dollar to make up for the difference. As a result, the shortfall has a direct impact on employment -- or rather, unemployment.

SCF is a tribal organization that compacts with the Indian Health Service under Title V of the Indian Self-Determination Act. In doing so, SCF acts on behalf of Cook Inlet Region, Inc., an Alaska Native Regional Corporation. SCF serves the healthcare needs of the Alaska Native population in the Municipality of Anchorage, the Matanuska-Susitna Borough, and nearby villages. SCF also provides healthcare services to an additional 10,000 residents of 55 rural villages throughout Alaska.

SCF has contracted with IHS to operate a diverse array of healthcare programs. Although IHS last calculated our contract support cost requirement as $25.5 million (for FY 2008), that year SCF was short approximately $10.7 million. The impact of such a large shortfall on jobs was stunning. As a result of the shortfall, SCF has been severely constrained in its ability to meet the healthcare needs of the Alaska Native population in our service area.

For FY 2010 the President requested an historic increase in contract support cost appropriations, for which we are deeply appreciative. Thanks to Congress's committed support, in March or April this year we should receive our share of the FY 2010 increase. This will be used to reduce our CSC shortfall and hire several vacant positions. Even still, however, it is clear that SCF will continue to suffer a large shortfall going into FY 2011.

The President has proposed an increase for FY 2011 of $45.8 million, and SCF strongly supports the increase. (That said, our best estimate is that in FY 2011 IHS will still experience an overall $100 million shortfall in all of its contract support cost payments – even <u>after</u> taking account of the President's requested increase.) But the issue is timing. As we are witnessing this year, an increase in an appropriation cannot be distributed to the recipient tribal contractors until IHS completes several key steps that are necessary to update its Annual Shortfall Report and thus assure strict adherence to IHS's Manual. Like other tribal contractors, SCF anticipates receiving its share of this fiscal year's increase in March or April of 2010. This means that if the President's proposed increase for contract support costs in the FY 2011 Budget is accepted by Congress, those funds will not make it down to SCF and other tribal contractors until March or April of 2011 -- over one year from now.

Contract support costs mean jobs. SCF is anxious to fill as many vacant positions as possible, as soon as the funding arrives. Given the condition of the economy, SCF respectfully suggests that accelerating next year's increase in contract support costs into this year makes perfect sense. It will permit us to hire the positions in March or April 2010 that would otherwise have to wait until March or April 2011. While including $45.8 million in the Jobs Bill would be one-time funding only, the positions we hire would effectively become permanent thanks to the anticipated recurring increase requested by the President for FY 2011.

Thank you for your consideration of these comments as you weigh how best to promote employment in Indian country and Alaska Native communities.

PREPARED STATEMENT OF LLOYD B. MILLER, SONOSKY, CHAMBERS, SACHSE, ENDRESON & PERRY, LLP

This testimony is submitted jointly on behalf of the National Tribal Contract Support Cost Coalition, comprised of the Shoshone Bannock Tribes of Idaho, the Cherokee Nation and Choctaw Nation of Oklahoma, the Shoshone-Paiute Tribes of Nevada and Idaho, the Riverside San Bernardino County Indian Health Consortium of California, the Pueblo of Zuni of New Mexico, the Spirit Lake Nation of North Dakota, the Confederated Salish and Kootenai Tribes and Chippewa Cree Tribe of Montana, the Forest County Potawatomi Tribe of Wisconsin, the Little River Band of Ottawa Indians of Michigan, and the Copper River Native Association, Alaska Native Tribal Health Consortium, Arctic Slope Native Association, Kodiak Area Native Association, and Yukon-Kuskokwim Health Corporation of Alaska.

The National Coalition believes that in advancing jobs legislation in the coming weeks Congress should seriously consider enhanced funding for "contract support costs," because contract support cost monies directly fund jobs in Indian country.

As this Committee is aware, contract support costs represent the fixed costs which Tribes and tribal organizations must incur when they carry out self-determination contracts and self-governance compacts with either the Bureau of Indian Affairs or the Indian Health Service. Contract support costs cover such federally-mandated costs as annual independent audits, but also other necessary costs including liability and property insurance, accounting costs and the like. The majority of contract support costs are set by an indirect cost rate that is established by either the National Business Center within the Department of the Interior or the Division of Cost Allocation within the Department of Health and Human Services, and the remainder of those costs are set directly by the BIA and IHS.

As this Committee is also aware from its extensive work over three decades in amending the Indian Self-Determination Act, when the BIA or IHS underfund fixed tribal contract support costs, the tribal contractors are left with no choice but to leave program positions unfilled to make up for the difference. Contract support cost underpayments thus cost jobs.

By contrast, restoring contract support cost payments that are due under contracts and compacts permits Tribes and tribal organizations carrying out BIA and IHS programs to restore jobs. This is why Tribes and tribal organizations have repeatedly explained to Congress that, despite its somewhat oblique name, the "contract support cost" issue is a jobs issue. Indeed, at even a high estimate of $100,000 per full-time equivalent employee, every $10 million increase in contract support cost payments produces 100 additional jobs (and even more jobs under contracts with IHS, where healthcare services lead to additional revenues from Medicare, Medicaid and other third-party payers).

The National Contract Support Cost Coalition requests this Committee's assistance in securing an immediate infusion of contract support cost funding in an amount equal to the amounts which President Obama will shortly announce in his Budget for fiscal year 2011. By including such one-time funds in the new jobs legislation, Tribes and tribal organizations administering IHS and BIA programs will be able to hire the additional staff which the President's increases will permit, not in the summer of 2011, but this summer in the year 2010. This acceleration in hiring in Indian country is critically necessary to help immediately combat some of the country's highest unemployment rates.

For instance, if the President proposes an FY 2011 increase in BIA contract support cost payments of $20 million–sums which would, in due course, eventually be transferred under tribal contracts in the summer of 2011, $20 million in BIA contract support cost funds should also be added to the jobs bill so that those positions can be hired *now,* without further delay. The same action is warranted in connection with the IHS budget where the President may propose a contract support cost increase of $45 million for FY 2011.

Including contract support cost funding in the new jobs bill meets every identified criteria for stimulus funding. It will directly lead to increased employment; the funds can be immediately obligated within a few days after apportionment into existing contracts, and without the negotiation of any additional or supplemental terms; and contract support cost funds (together with other contracted funds) are already subject to rigorous and transparent annual independent audits.

Thank you for the opportunity to present these views on behalf of the National Contract Support Cost Coalition. Coalition member Tribes and tribal organizations will be supplementing this testimony with their own individual statements.

PREPARED STATEMENT OF HON. CHAD SMITH, PRINCIPAL CHIEF, CHEROKEE NATION

Mr. Chairman, Members of the Committee, I thank you the opportunity to submit written testimony specifying priority of the Cherokee Nation in regards to combating egregiously high rates of unemployment in Indian country. In submitting this testimony, I would like to support the notion that there readily exists an effective mechanism for creating an employment boon within the perimeters of tribal jurisdiction, Contract Support Costs (CSC).

As you are aware, CSC is the term designated for the amount tribal governments and organizations must bear for administering Federal programs assumed through contracts and compacts of the Indian Self-Determination and Education Assistance Act (ISDEAA). One of the most important budgetary issues facing Indian Country is the underfunding of contract support by BIA and IHS which affects every single tribe nationwide. This issue is significant to Indian country where every dollar lost in contract support costs is one dollar less for direct services to the Cherokee citizens , including health care, education, law enforcement, real estate and trust services and other critical governmental services Each of these programs represent numerous jobs within the Cherokee Nation that are integrally connected to contract support costs.

As of 2009 reports from IHS and DOI indicate approximately $13 million in combined shortfall for Cherokee Nation. This shortfall has caused severe financial strains on the Nation's programs and facilities, as it has for many other tribes. Since contract support costs are fixed costs that a contractor must incur, Tribes typically either (1) reduce funds budgeted for critical healthcare, education and other services under the contract in order to cover the shortfall; (2) they divert Tribal funds to subsidize the federal contract (when such Tribal funds are available); or (3) they use a combination of these two approaches. Any of these approaches result in a direct impact to services to citizens including reduction in job force.

The Cherokee Nation, therefore, believes that an effective avenue for stimulating job creation in Indian country is an inclusion of CSC funding in the job creation bill the Senate will soon be considering. The Cherokee Nation, as a member and in concert with the National Tribal Contract Support Cost Coalition, respectfully requests the support of the Committee for an immediate infusion of CSC funding in an amount equal to President Obama's CSC budget for Fiscal Year 2011. We make this request based upon the premise:

1. The impending jobs legislation presents an opportune vehicle to implement such provisions and the 2011 budget offers assurance that the employment created from this injection is sustainable and of substantial benefit in the long term by permitting us to fill vacant positions now, rather than one year from now.

2. The increase of CSC distributed based upon the agency policy would affect in some degree every tribe in the United States, whether direct service or Self Governance.

3. The resulting increase to direct program services, including job creation would be directed to the needs at the local level. It would allow tribal governments to provide services and hire employees in the specific areas most needed. In contrast to Federal funding of specific programs, of which all tribes may not participate.

4. If allocations are provided via current agreements, tribes could receive the influx of funding within 10 days after passage of the Jobs Bill.

For these reasons, we respectfully urge your support for the inclusion of CSC within any jobs creation bills considered. On behalf of the Cherokee Nation, I thank you for the opportunity to submit this written testimony and we look forward to working with you on this issue.

PREPARED STATEMENT OF HON. MERLENE SANCHEZ, CHAIRPERSON, GUIDIVILLE INDIAN RANCHERIA

"The urgent need for job creation on Indian reservations is apparent to everybody." Committee Chairman Senator Byron Dorgan's remark, made during the Committee's January 28, 2010 Oversight Hearing on Unemployment on Indian Reservations at 50%: The Urgent Need to Create Jobs in Indian Country, prompts me to share the following information from our own Tribal Job Forum concerning land restoration efforts and building sound Tribal economies. As pointed out by the testimony of Mr. Jefferson Keel, Vice-President of the National Congress of American Indians, Indian Country needs "a long term fix" and "now is not the time to simply create short term jobs that run out when the grants expires . . . we must put forward bold solutions that match the severity of the crisis."

Unlike many of the job creation programs requiring significant stimulus funding and other federal resources discussed at President Obama's "Forum on Jobs and Economic Growth," , our Tribal intergovernmental effort can create **over ten thousand jobs in the near term, at no cost to the taxpayer.**

Much of the work has already been done, all ultimately funded by our Tribal government.

- 17,000 direct and induced new jobs;
- $1.67 billion in construction stimulus;
- Hundreds of Union construction jobs;
- $500 million annually in new annual payroll;
- $100 million annually in new federal income taxes;
- $120 million dollars annually to the State of California;
- $12-22 million dollars annually to Contra Costa County;

- $20-25 million dollars annually to the City of Richmond;
- Job Training and pre-apprentice training through multidiscipline local job training programs and a commitment to 70% local hire;
- Restoration and preservation of a National Historic District (a $50 million dollar undertaking);
- Restoration of the ecology of the former Point Molate Naval Base;
- New and enhanced public transportation elements;
- One of the most successful base closure and redevelopments accomplished to date;
- New public parks and open space for the community;
- A restored land base and new economy for the Guidiville Tribe that was illegally terminated in the 1960's, creating housing, healthcare, job training, education, and job opportunities for its members;
- Revenue to the Yocha Dehe Nation through intertribal commerce;
- Accelerated clean up and reuse of the former Naval Fuel Depot at Point Molate California; and,
- A new unique model for intertribal/intergovernmental commerce, to yield job creation, hope and economic stimulus for Tribes and a City plagued by abject poverty, gang violence, drug abuse and despair all created by lack of economic opportunity.

For the last 5 years we have worked with the local stakeholders and the federal agencies to define and move our land restoration effort forward. Two tribal nations (Guidiville Indian Rancheria and Yocha Dehe Wintun Nation) working with the private sector, the United States DOD, EPA, DOI, BIA, NIGC & NPS, the Richmond City Government, Contra Costa County, and the State of California have created this opportunity. Due to our hard work and struggle, we now enjoy a long list of supporters including the stakeholders (Tribal, City, County), the police and fire unions, the majority of the local faith community, core environmental groups, Congressman Miller and Congresswoman Barbara Lee, the Building Trade Unions, local job training programs, and open space advocates, to name a few. This is an incredible story of intergovernmental cooperation demonstrating what can be accomplished when involved stakeholders work together to accomplish great objectives. It is a story of national interest.

Based on the tremendous job creation and economic stimulus alone, we feel this matter is worthy of the Committee's attention and assistance in light of its quest to find solutions for unemployment in Indian Country. During his November 5th White House Tribal Nations Conference, President Obama promised Indian Country that "You will not be forgotten as long as I'm in this White House." However, since the President's election, all Department of Interior progress on this intergovernmental land restoration effort has stalled and, in some respects, has taken steps backward. Deputy Assistant Secretary for Indian Affairs Donald Laverdure stated during the Committee's Oversight Hearing that the Department desires to work with tribes, sister agencies, and the Committee to address unemployment in Indian County. Yet despite our best efforts, we cannot get the Department to do its part and execute the administrative steps necessary to key up our land restoration for the necessary federal decisions in a fair and predictable manner.

We need the Committee's help. The federal government has a critical role and responsibility in the success of our effort and it can easily be accomplished. We respectfully request an opportunity to personally brief the Committee and its staff on the tremendous opportunity our land restoration can create for our mother earth and the region as a whole. Our ultimate goal in briefing the Committee is to make sure its Members and staff are aware of our efforts and to secure the Members' and staff's assistance in encouraging the Department to complete their responsibilities under the law and break the log jam of the delay we are currently experiencing.

Three key approvals are needed to secure all of this private economic stimulus and job creation for the region. One decision is local (City of Richmond) and the other two are federal.

The first federal decision is our Indian Lands Determination ("ILD"). The ILD is by no means an approval of our project. It is a legal opinion. The Department's work on this ILD has been competed for over a year now, yet the Department has stalled its release with a series of ever changing excuses that do not make sense given our economic crisis. Such delay has cost the Tribe millions in borrowed project dollars.

The second decision is a land-into-trust decision (transferring the former Point Molate Base back to the United States to be held in trust for the Tribe) and the corresponding NEPA Record of Decision. The NEPA process has been delayed by this administration by over a year, simply because the Department will not publish an administrative notice in the Federal Register. EPA has done their part, but the Department will not commit to publishing the notice. Again, these are simple administrative matters, which do not constitute final project approvals.

We are enclosing a brochure about our project. More information is on our website as well (www.pointmolateresort.com).

In closing, we would like to repeat our request to brief the Committee at its convenience. I will ensure our project team will be available to meet at a time and place of the Committee's choosing. We also wish to extend a standing invitation for Committee Members to tour the site and meet with community stakeholders. Every day our land restoration effort is delayed, is a day of missed opportunity for the many unemployed people, Tribal and non-tribal, of the East Bay region. This administration can significantly change the economy of our Tribe and the region simply by implementing the tasks they are already responsible to perform, at no additional cost to the taxpayer.

If you would like to coordinate a briefing, please contact Michael Derry, CEO of our Tribal Corporation . Thank you for the Committee's commitment to find solutions for the unemployment problem in Indian Country. We look forward to the opportunity to meet with the Committee.

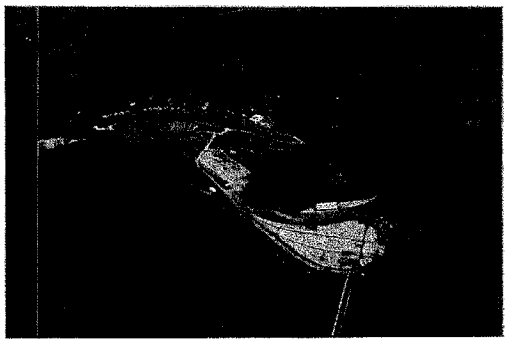
Attachment

DESTINATION RESORT AND ECOVILLAGE AT POINT MOLATE

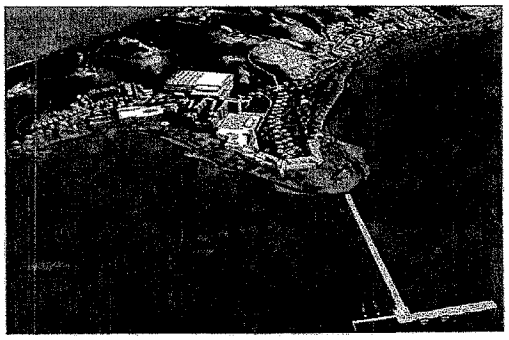
www.pointmolateresort.com

This unique partnership will redevelop a former Navy Brownfield in a way that aims to regenerate the economy, culture, and environment for the City of Richmond and Guidiville Tribe. Through creation of a five-star tribal destination resort and ecological village on this historic shoreline property, the Project will sustain thousands of long-term, living-wage jobs and extraordinary revenues for the City. It will also preserve and enhance open space, extend the Bay Trail and shoreline parks, and support community programs.

Existing Brownfield Site



Proposed Development



upstream Point Molate LLC

GUIDIVILLE BAND OF POMO INDIANS

Social and Cultural Benefits to the Tribe and People of Richmond

The Project will regenerate the cultural and social fabric of two communities historically connected to the area—the Guidiville Band of Pomo Indians and the people of Richmond by:

- Fulfilling an historic federal commitment to Guidiville, and restoring a land-base for the Tribe to provide health, education, eldercare, and government services for tribal members.
- Generating funding for restoration and reuse of the Winehaven Historical District.
- Park programs providing a range of educational, recreational, and job training opportunities and experiences for adults and children, including organic gardens for produce and teaching.
- On-site dance ground and tribal roundhouse offering an important regional center for Native American gatherings.
- A convention center attracting mid-size business, educational, and research conferences to Richmond.
- Providing multiple on-site venues for community and charitable events and celebrations.
- Preserving approximately 180 acres of open space, creating public parks, and constructing 1.5 miles of the Bay Trail.
- Providing a diverse array of cultural and recreational opportunities including tribal festivals, hiking, biking, kayaking, picnics, shopping, dining, and entertainment.
- A 2,500-seat performance hall bringing major musical, dance, and theatrical events to Richmond.
- Establishing a community foundation to support local programs.

Richmond Community Reinvestment and Economic Regeneration

Partnering with the Tribe and the people of Richmond to convert a Brownfield site into thousands of jobs; job training and community programs; and economic, social, and cultural opportunities for both communities will create an historic economic stimulus. This, coupled with job training, local hiring, and living wage programs, will revitalize Richmond's future with:

- A five-star resort that includes hotels, restaurants, casino, and shopping district that introduces hundreds of millions of dollars of new money into the local economy from regional and international tourism.
- More than 15,000 direct and induced jobs coupled with job training programs and union partnerships.
- A construction stimulus of $1.68 billion in wages, supplies, and vendor contracts.
- Project operations that bring more than $500 million per year in new wages to Contra Costa County and surrounding area.
- An economic engine that supports enhanced on-site remediation and ecological restoration, and long-term regional environmental and social programs.
- An historic economic stimulus for local businesses and workers, with preferences for tribal and local vendors and contractors.
- More than $400 million for the City of Richmond over 20 years.
- Taxes on wages and supplies that generate hundreds of millions in revenues for local, state, and federal governments.
- Project agreements that ensure ongoing exchange between the Project and Richmond, so that the Guidiville Tribe and local community prosper together.
- A Municipal Services Agreement that includes First-source and living wage provisions.
- Programs that partner with local unions, existing training programs, and faith communities that will provide workforce development to meet 40-percent local hiring goal.

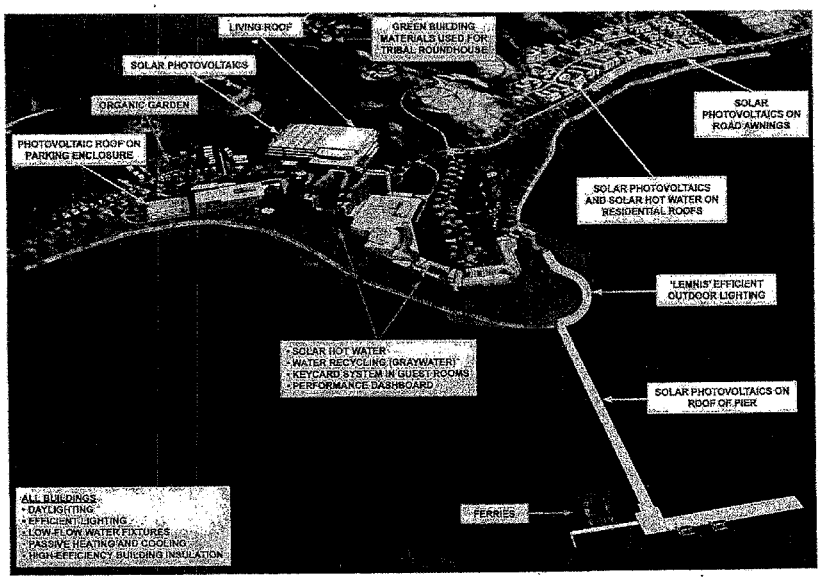
Ecological Village and Destination Resort

With more than 1,100 hotel rooms, a 2,500-seat performance hall, a business and educational conference and convention center, a state-of-the-art entertainment center, 6 acres of retail and restaurants, and more than 180 acres of parks and open space, the Project will transform a degraded Brownfield into a model ecological village and world-class destination resort along the scenic Richmond coast.

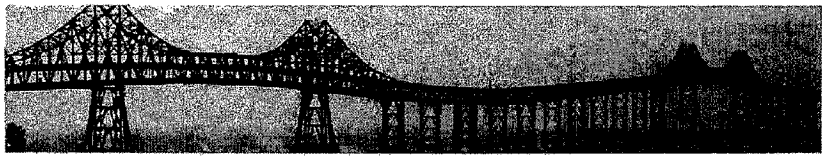
Innovative Sustainability Program

Through on-site sustainable practices and regional partnerships, this infill Brownfield redevelopment redefines environmental stewardship for major development projects in the region. This 'super-green' project aims to go beyond any other regional development effort in reducing its ecological footprint while generating enduring ecological and social benefits. The Project brings together regenerative philosophy, technologies, and design from the beginning, yielding benefits to improve the health of the land and local communities through what is developed.

Green technologies and design will be integrated into every phase of the Project:



Existing open space and shoreline areas will be preserved through conservation easements and supported by tribal funding, and on-site habitat will be restored with ecologically and culturally important native plants. Our program will reclaim, evolve, and teach indigenous ways of living in harmony with the Bay, updated with the latest green technologies. Ecological principles, Native American ethno botany, and cultural practices will be recognized and taught. Volunteer and job opportunities for Native American and Richmond youth through a Conservation-Corp-type program will be available.



Our Philosophy: Build in Mutual Benefit at Every Step

There are few development efforts that have at their core a philosophy to uplift the community. With Upstream's leadership, the Point Molate project establishes an ongoing collaboration between the people of Richmond and the Guidiville Band of Pomo Indians' tribal government. These two communities share core values of achieving better lives for their people and enhancing regional ecology. With project financing from a second California Indian tribe that also shares these values, the project team has developed a philosophy for how the Project will be designed and operated:

- **Leveraged Investment:** The Point Molate project will leverage development investment and returns to achieve multiple social, community, environmental, and open space objectives, including extending the Bay Trail system, preserving two-thirds of the Site as open space, restoring native plant communities and habitat, and opening up access to diverse users.
- **Mutual Benefit:** A healthy project will contribute revenue, jobs, and educational opportunities to a better future for Richmond. A stronger Richmond will create a better environment for the Project.
- **Tribal Renewal:** Leadership in environmental and social citizenship will strengthen the Guidiville Pomos' sense of pride and belonging. The presence of a functioning tribal government will contribute to the culture and historic rootedness of the communities of the Bay Area.
- **Exceptional Green:** Design for exceptional performance as a green development will contribute to the aspiration of Richmond and the region to become a leader in the field of green technologies.

Opportunities to Partner with Labor Unions, Community, and Environmental Groups to Achieve Common Goals

While physically separate from Richmond neighborhoods, the Project has a key role to play in the economic and social regeneration of Richmond that will occur through economic development, job training and educational support, financial contributions to the City for programs and public investment in other areas of the City, and collaboration on environmental and community enhancement projects. As a community, Point Molate will also benefit from an increasingly thriving Richmond. For this reason, the project team has reached out beyond its formal relationship with the City to establish partnerships and alliances with the Contra Costa Building Trades Council and with diverse community groups and organizations, locally and regionally. This work will be ongoing, and will evolve as the Project moves forward.

Community groups have volunteered numerous ideas and invitations on possible programs to develop and support. Several programs are under discussion, and the project team is interested in expanding our discussions with local and regional groups to achieve the economic, cultural, social, environmental, and tribal regeneration that is possible through the Project. If you would like to participate in one of these efforts, or if you have ideas to grow a stronger community, please send a letter or an email to:

Upstream Point Molate LLC
Attn: James D. Levine, Managing Partner
1900 Powell Street, 12th Floor
Emeryville, CA 94608

Black Oak Development Corporation
Guidiville Indian Rancheria
Attn: Michael Derry, CEO
1900 Powell Street, 12th Floor
Emeryville, CA 94608

Choctaw Nation of Oklahoma

P.O. Box 1210 • Durant, OK 74702-1210

Gregory E. Pyle
Chief

Gary Batton
Assistant Chief

February 3, 2010

Re: Include IHS and BIA Contract Support Costs for Tribes in the Jobs Bill

Dear Senators:

In FY 2008 the Choctaw Nation incurred a contract support costs (CSC) shortfall of $3.1 million in the Indian Health Service (IHS) and nearly $.5 million in the Bureau of Indian Affairs (BIA). While these levels may not appear to be extreme relative to the overall CSC shortfall that has been documented by the federal government, to Tribal governments these figures contribute to the success or failure of programs we administer. As a Self-Governance Tribe we operate and administer programs, services, functions and activities that we assumed under a Compact with the United States government nearly 20 years ago. If we do not recover the cost to perform these services we must access funds from other programs which impact the service delivery and employment components of our operations. Inasmuch as we received an increase in CSC funds in the FY 2010 budget, it is not enough to make a dent in the depressed employment status in Tribal communities. We are therefore seeking additional funds to address the CSC shortfall in the Jobs Bill to boost Tribal employment.

With the new funds in the FY 2010 budget for CSC many Tribes will begin to recover from years of no CSC increases. The Choctaw Nation is anticipating some recovery but not 100% full funding for reimbursements to the outlays that we have previously and continue to incur. Therefore, on behalf of the Choctaw Nation of Oklahoma I am requesting that during discussions of the Jobs Bill that you include CSC increases of $45 million for IHS and $20 million for the BIA so that we may begin to address the 50% unemployment rate in Indian Country sooner rather than later.

As always, I appreciate the opportunity to share this most important information with you.

Thank you.

Sincerely,

Gregory E. Pyle
Chief

Copper River Native Association
[AHTNA' T'AENE NENE']
Mile 104 Richardson Highway
P.O. Box H ▪ Copper Center, Alaska 99573

February 3, 2010

Dear Senators:

Copper River Native Association (CRNA) is a consortium for the Native Villages of Cantwell, Gakona, Gulkana, Kluti-Kaah and Tazlina. CRNA provides both Bureau of Indian Affairs (BIA) and Indian Health Services (IHS) programs as authorized by the Indian Self-Determination Act.

We have operated these programs without sufficient contract support since the act was authorized. This has caused the programs to be severely underfunded and has caused our organization to combine multiple jobs into one position which undermines the programs goals. If the JOBS Initiative were to authorize the contract support, we would be able to fill jobs and lessen the burden of our already over extended employees.

Although the President's Budget seeks CSC increases in 2011it would greatly enhance our programs to be able to fill these much needed jobs in 2010.

Our Tribal Community Services Department which oversee the BIA program would expand to include, the Title IV E, day care facility, TANF and Child Support services to name a few.

Our IHS programs cut 9 fulltime positions and several part-time/on call positions this budget period. Those 9 positions have been absorbed by retained staff who are already multitasking different positions from previous year cuts. IHS is reported to be "one of the most efficient health care delivery systems", but it simply cannot be without adequate funding. It is impossible to maintain the integrity of the program without real, tangible support. With an increase in our budget we would like to replace the 9 positions that were cut and add the 4 positions that were planned to alleviate staff that are multitasking several programs. In total 13 IHS positions that would bring quality back to the forefront.

Our people *need* these services…it's not a luxury to us. Our communities *need* these jobs…it's vital to the families who are using up the last of their unemployment resources.

Thank you for your support and understanding of our position.

Sincerely,
Copper River Native Association

Paulette Schuerch
President/CEO

Forest County Potawatomi Community
P.O. BOX 340 • Crandon, WI 54520

February 1, 2010

Dear Senators,

Our elected leaders have a unique opportunity to help create jobs now for some of those who have been impacted most by the nation's economic troubles.

The Senate Committee on Indian Affairs recently heard testimony on the alarmingly high unemployment rates on our nation's Indian Reservations. As you know, Wisconsin is home to a large Native American population. Wisconsin's eleven tribes play a vital role in our state's history and economy. Our tribes employ thousands of Wisconsin residents with good-paying jobs; particularly in rural and Northern Wisconsin. However, like other sectors around the country, Wisconsin's tribes have felt the negative impacts of the economy and have made some difficult decisions.

As you begin to deliberate on jobs legislation to address our nation's economic issues, I hope that you will seriously consider enhanced funding for "contract support costs," because contract support monies directly fund jobs in Indian Country. More importantly, these monies can help create jobs now – not next year.

Contract support costs represent the fixed costs which tribes must incur when they carry about self-determination contracts and self-governance compacts with either the Bureau of Indian Affairs (BIA) or Indian Health Services (IHS). These support the costs of such federal mandates like annual independent audits and other administrative functions necessary to ensure proper compliance and management of particular programs.

However, underfunded contract support cost payments for tribes administering critical programs. When payments are reduced, tribal contractors have no choice but to leave program positions unfilled to make up for the difference.

The latest figures from the Wisconsin Department of Workforce Development show that Wisconsin's unemployment rate has risen 2.5 percent since last year and is up almost a half percent in just the last month.

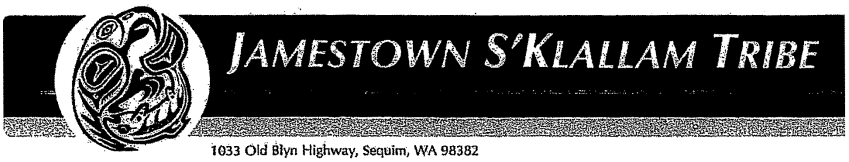
Forest County, the home of our reservation, now has double-digit unemployment (10.8 percent). That is up 1.6 percent from one month ago, and almost 3 percent higher than one year ago.

Congress has a unique opportunity to help create jobs now for Indian Country by supporting enhanced funding for "contract support costs."

For the good of all Indian Country and Wisconsin, I hope that you will support enhanced funding for "contract support costs."

Sincerely,

Gus Frank
Tribal Chairman



1033 Old Blyn Highway, Sequim, WA 98382

February 2, 2010

Re: Support for IHS and BIA Contract Support Costs in The Jobs Bill

Dear Senators:

Under the Indian Self-Determination and Education Assistance Act (ISDEAA), the foundation of this Nation's Federal Indian Policy, Tribes secured the transfer of essential government operations serving Tribal communities from the Indian Health Service (IHS) and the Bureau of Indian Affairs (BIA). The result was suppose to be increased local employment and training; a reduced federal bureaucracy; and, increased local control over and efficacy in critical health care, law enforcement, education, housing and other programs serving Native American communities. While we are proud to have accomplished many of these goals, we constantly struggle to achieve our full potential in large part because we do not receive full funding for contract support costs (CSC).

Tribal governments have been and will continue to be adversely affected by shortfalls in contract support costs funding which has a domino effect into many facets of our daily operations. Our ability to provide jobs to our people or retain outside hired professionals is compromised because of the shrinking value of our Tribal revenue which supplements the need for 100% CSC that we do not receive from the federal government. Many Tribes reduce their indirect cost rate or elect not to accept programs because they will not receive full CSC to operate and administer programs.

The proposed jobs bill could offer some relief in addressing the overwhelming unemployment rate in Indian Country. The Jamestown S'Klallam Tribe applauds the Administration and Congress for the increase CSC funds in the FY 2010 budget. And yes, the President has included an additional increase for CSC in the FY 2011 budget. But without the proposed CSC funds in the jobs bill for the BIA and the IHS our employment status will not change. The jobs bill will allow us to put our people to work sooner rather than next year or in the next two years. We strive to have strong reservation economies and sustainable employment, but we cannot attain these goals if we are not provided a fair share of the opportunities to make them happen.

We ask that you support the CSC funds for IHS and the BIA in the jobs bill otherwise tribal programs will never achieve the intended benefits to fully accomplish our goals.

Thank you.

Sincerely,

W. Ron Allen

W. Ron Allen
Tribal Chairman/CEO

Kodiak Area Native Association

3449 Rezanof Dr. East
Kodiak, Alaska 99615

January 29, 2010

Re: Jobs Stimulus Legislation and Contract Support Costs

Dear Senator Byron Dorgan:

I am writing to you on behalf of the Kodiak Area Native Association (***"KANA"***), an association of Alaska Native tribes and villages that was formed in 1966 as a non-profit corporation to provide medical and social services in remote communities on the island of Kodiak. KANA provides such services on behalf of the United States Government through contracts with the Indian Health Service (the ***"IHS"***) and with the Bureau of Indian Affairs (***"BIA"***), in each case pursuant to the Indian Self-Determination and Education Assistance Act of 1975 (the ***"ISDA"***).

I am writing to request your support of efforts underway to include much needed contract support cost funding in the anticipated jobs stimulus legislation. Assuring sufficient contract support funding for the health and social services provided under the ISDA is of crucial importance to Native American communities and consistent with the goals of creating jobs and stimulating the economy. As you may be aware, contract support costs arising from contracts between Tribes and the IHS or BIA are chronically underfunded. To compensate for this underfunding, vital albeit vacant job positions are left unfilled. We are thankful to hear that efforts are underway to increase contract support cost funding in the President's budget and look forward to increasing our staff as such additional funding permits. However, the funds to fill these jobs would not be available before the middle of 2011. If the jobs stimulus legislation was drafted to provide for a one-time payment of contract support cost funding in an amount equal to the amounts which President Obama will shortly announce in his Budget for fiscal year 2011, Tribes and Tribal organizations administering IHS and BIA programs will be able to hire the additional staff which the President's increases will permit, not in the summer of 2011, but *this* summer in the year *2010*.

To put this into context, if the President proposes an FY 2011 increase in BIA contract support cost payments of $20 million – sums which would, in due course, eventually be transferred under tribal contracts in the summer of 2011, $20 million in BIA contract support cost funds should also be added to the jobs bill so that those positions can be hired now, without further delay. The same action is warranted in connection with the IHS budget where the President may propose a contract support cost increase of $45 million for FY 2011. While staffing decisions are obviously subject to many factors, it should be noted that the effect of this proposed legislation is that KANA could immediately hire approximately 12 more health service employees. Funds for BIA contract support costs would produce a similar proportionate hiring ability for our economic and community development programs, including education. The notable increase in available jobs in the remote communities of Kodiak island could be repeated throughout Alaska and the rest of Indian Country, resulting in a notable number of available and funded new jobs in areas that often have the highest levels of unemployment.

There are many other benefits to this proposal. The funds could be immediately obligated within a few days after apportionment into existing contracts, and without the negotiation of any additional or supplemental terms. The funds would be directed towards programs that are already subject to rigorous and transparent annual independent audits. And most importantly, the funds would directly lead to increased health services, law enforcement services, education opportunities, social services and housing assistance. Congress would be ensuring that the benefits of economic stimulation reach underserved Indian communities, and that they do so in a meaningful and culturally relevant way.

Please do not hesitate to let me know if I can be of any assistance as you consider this request and the jobs legislation.

Sincerely,

Andy Teuber
President / CEO

Larry Romanelli, Ogema
Little River Band of Ottawa Indians
375 River Street
Manistee, MI 49660

Dear Senators;

As the elected leader of the Little River Band of Ottawa Indians, I am writing about an urgent need associated with our annual funding agreements through the Bureau of Indian Affairs and Indian Health Services pursuant to contracts authorized by the Indian Self-Determination and Education Assistance Act, P.L. 93-638. Historically, both the BIA and IHS have under funded our fixed contract support costs. The CSC shortfalls have led to position vacancies in our Tribal Government that significantly detract from our ability to provide health and human services to our constituency.

More specifically for example, we have an immediate need to see more patients in a timely manner at our Health Clinic and an urgent need to add a Licensed Clinical Social Worker. If we were to receive one-third of our 2008 shortfall of $970,735 as our share of the BIA/IHS CSC-Jobs increase sought by the President, we would be able to fill the positions of Physician's Assistant, Registered Nurse and Licensed Clinical Social Worker. Of course this is just one of several possibilities to fill critical staff vacancies and the final decision would be made in collaboration with our Tribal Council.

Although the President is looking to 2011 for CSC increases, I strongly urge you to adopt a Jobs Bill that would permit Tribes to add positions in 2010. With unemployment still at double digit levels, we could conceivably use increased CSC funding to generate sources of revenue that would be used to fill other staff vacancies, thereby reducing unemployment and at the same time improve much needed services for our people. Thank you for your consideration. Please feel free to contact me at any time.

Sincerely,

Larry Romanelli, Ogema
Little River Band of Ottawa Indians

LOWER ELWHA KLALLAM TRIBE

ʔəʔɬx̌ʷə nəxʷsƛ̓ay̓əm "Strong People"

2851 Lower Elwha Road
Port Angeles WA 98363

February 3, 2010

Re: Support CSC for Tribal Employment Opportunities in the Jobs Bill

Dear Senators:

No policy in American history has had a more profound effect on strengthening tribal institutions and local employment than the Self-Determination Policy reflected in the Indian Self-Determination and Education Assistance Act (ISDEAA). Tribes, as contractors to the federal government, continue to receive less than adequate contract support costs (CSC) reimbursements to fulfill the scope of the contracts and compacts which necessitates using Tribal funds to perform our federal agreement obligations. Needless to say that this not only affects the delivery of services but it also limits the investment of Tribal resources into Tribal initiatives. Without stable employment for our people we cannot achieve economic goals that would sustain our people and our communities. We are therefore seeking some relief to the increasing problem of unemployment and ask that you include CSC funds for the Indian Health Service (IHS) and the Bureau of Indian Affairs (BIA) in the jobs bill that is currently before you.

In 1988 the ISDEAA was amended requiring the Secretary of DOI to provide CSC funding for all administrative costs incurred by contracting and compacting Tribes. The same authority was passed for the IHS in 1992. Both amendments also stated "subject to the availability of appropriations" which is why we are seeking other revenue possibilities to address the increasing shortfall for CSC. For every $10 million in CSC shortfall funding some 100 jobs and $6 million in third party revenues are lost. Tribal revenue has supplemented inadequate CSC funds and as a result other Tribal programs have been impacted. This request will enable Tribes to provide jobs at a time when your efforts to increase the CSC levels in the appropriations is hopefully imminent for FY 2011 just as you did for FY 2010.

The Indian Health Service recently reported an anticipated contract support shortfall for FY 2011 of $150 million, and the BIA has informally estimated that the FY 2011 shortfall will be at least $86 million. These contract obligations must at long last be paid, and employment under contracted and compacted programs serving Indian communities thereby restored.

On behalf of the Lower Elwha S'Klallam Tribe, your help is critical to address the crippling unemployment on our Tribal communities. We are seeking $45 million in HIS and $20 million in BIA for contract support costs which would allow Tribes to minimize the use of Tribal resources to subsidize administrative and indirect cost for agreements with the federal government under compacts and contracts.

Thank you.

Sincerely,

Frances Charles

Frances Charles
Chairwoman

LUMMI INDIAN BUSINESS COUNCIL
2616 KWINA ROAD • BELLINGHAM, WA 98226
DEPARTMENT _____ DIRECT NO. _____

February 2, 2010

Re: Include CSC for Tribal Employment Opportunities in the Pending Jobs Bill

Dear Senators:

Today, under the Indian Self-Determination and Education Assistance Act (ISDEAA) the Department of the Interior-Bureau of Indian Affairs (DOI-BIA) and the Department of Health and Human Services –Indian Health Service (DHHS-IHS) have contracted and/or compacted with Indian Tribes and tribal organizations across 35 states to administer $2.3 billion in various programs that would otherwise be administered by the federal government. Accompanying this obligation is the associated expenses, contract support costs (CSC), that Tribes incur to operate hospitals and clinics, administer welfare assistance programs, run police departments, and carry out a vast array of other activities in such areas as education, housing and land and resource management. However, these costs are not fully reimbursed to Tribes and that translates to shortfalls; inadequate funding to perform services and activities previously performed by the federal government. We are attempting to access options to address this disparity and correct this weighted equation that slights only Tribal government vendors. We are seeking $45 million for CSC in HIS and $20 million for CSC in BIA to be included in the jobs bill legislation.

Costs that infringe on the use and intent of other Tribal funds limit our ability to hire needed personnel and provide some economic incentives within our Tribal communities. The increase in CSC for FY 2010 will begin to address the escalating long-standing shortfall that has diminished our capacity to invest in our most precious resource; our people. Unemployment in Indian Country is of monumental proportions, which I might add has been on the incline in the Pacific Northwest for more than a decade. We are not able to exercise our traditional and cultural way of life because there is no work to support our families. The high unemployment has splintered into other social and behavioral problems for my people and as Tribal leaders we feel helpless because there is no money, no jobs, and no relief! We are stuck in a quagmire.

The Lummi Indian Nation asks that you give our request to include CSC in the jobs bill every consideration possible. Our people need to work sooner rather than later and even though the FY 2011 budget includes an additional increase for CSC, the health, and welfare and public safety of the lives of Indian people deserve some immediate attention and assistance to survive these difficult economic times. This is such a small request compared to the administrative and indirect costs rates this country is paying for the war and Department of Defense vendors, just to name a few.

Empowering Tribes to have strong flourishing reservation economies and sustainable communities should be a priority along with that of the welfare of other Americans. Let us know that you think so too.

Thank you.

Sincerely,

Henry Cagey

Henry M. Cagey
Chairman

NORMAN J. COOEYATE
Governor
DANCY SIMPLICIO
Lt. Governor
SHELLY C. CHIMONI
Head Councilwoman
DIXIE J. TSABETSAYE
Councilman

PUEBLO OF ZUNI
P.O. Box 339
1203-B State Highway 53
Zuni, New Mexico 87327-0339

CARLETON P. ALBERT SR.
Councilman
ARDEN KUCATE
Councilman
WINONA S. PEYNETSA
Councilwoman
CHARLOTTE T. BRADLEY
Councilwoman

January 28, 2010 *Officially known as the Zuni Tribe of the Zuni Indian Reservation*

Dear Chairman Dorgan and Vice Chairman Barrasso:

On behalf of the Pueblo of Zuni, I am writing to support and supplement the testimony submitted by the National Tribal Contract Support Cost Coalition, and to respectfully urge that the Committee do everything in its power to include additional contract support cost funding in the Senate's 2010 Jobs Bill.

Contract support cost funding will permit our Tribe to hire additional personnel that we have been unable to hire due to persistent contract support cost shortfalls. In its most recently released report, the Bureau of Indian Affairs confirmed that the Pueblo of Zuni was underpaid at year end 2008 the sum of $395,257 – an amount which only increased in FY 2009. This funding shortfall represents key positions in our realty and law enforcement departments and has impacted employment across all of our BIA-administered programs. Depending upon the positions to be filled, **full** funding of this shortfall – which we appreciate may not be realistic at this time – would translate into between four and six positions. In a community such as ours that suffers from such severe unemployment (≥ **60%**), this represents an extremely meaningful advance. Any amount of funding to reverse the severe contract support cost shortfall will go directly into good jobs which carry out key governmental functions in our Pueblo.

The Pueblo of Zuni appreciates that jobs funding is only meaningful if the jobs that are produced are long-term. It does the Pueblo no good to receive an infusion of one-time funds only to have to once again lay off people when the funds dry up. This is why we support only the limited inclusion of contract support cost funding in the Jobs Bill in an amount equal to whatever sums President Obama requests will permit us to focus on employment issues in the summer of FY 2011, when those funds will eventually come to us. But by including an equal amount in the 2010 Jobs Bill, we will be able to make those moves immediately and increase our payroll **today**.

Thank you for the opportunity to present these brief remarks on one key aspect of the complex issue surrounding unemployment in Indian country. Awarding contracts to tribal governments to run portions of the BIA and IHS is a good way to promote local employment – but the contracts must be honored for that goal to be fully realized.

Sincerely,

Norman J. Cooeyate,
Governor

Quinault Indian Nation
POST OFFICE BOX 189 □ TAHOLAH, WASHINGTON 98587

February 3, 2010

Re: Support CSC for Tribal Employment Opportunities in the Jobs Bill

As a Self-Governance Tribe, the Quinault Indian Nation operates and administers programs, services, functions and activities that we assumed under a Compact with the United States government more than 20 years ago. If we do not recover the cost from the federal government to perform these services we must access funds from other tribal programs which impact the service delivery and employment components of our operations. Inasmuch as there is an increase in CSC funds in the FY 2010 budget, it is not enough to make a dent in the depressed employment status in Tribal communities. We are therefore seeking additional funds to address the CSC shortfall in the Jobs Bill to boost Tribal employment.

With the new funds in the FY 2010 budget for CSC many Tribes will begin to recover from years of no CSC increases. Quinault is anticipating some recovery but not 100% full funding for reimbursements to the outlays that we have previously and continue to incur. Therefore, I am requesting that during discussions of the Jobs Bill you include a request for CSC increases of $45 million for IHS and $20 million for the BIA so that we may begin to address the 50% unemployment rate in Indian Country sooner rather than later.

As always, I appreciate the opportunity to share this most important information with you.

Thank you.

Sincerely,

Fawn Sharp
President

SHOALWATER BAY INDIAN TRIBE
P.O. Box 130 • Tokeland, Washington 98590

February 2, 2010

Re: Support CSC for Tribal Employment Opportunities in the Jobs Bill

Thank you for your support and work to pass the FY 2010 Interior appropriations bill which included an increase for contract support costs (CSC) in the Indian Health Service (IHS) and the Bureau of Indian Affairs (BIA) budgets. It is gratifying to finally receive an increase for a line item that been a burden to Tribal programs and resources for more than two decades. While these funds will definitely improve the funding stream and operations of Tribes, it will take additional resources to boost the more than 50% and in some instances as much as 70-80% unemployment in Indian Country. On behalf of the Shoalwater Bay Indian Tribe, I ask that you consider providing additional CSC funding in the jobs bill.

Although the FY 2011 President's Proposed Budget includes an additional increase for CSC, the current impacts of high unemployment cannot wait two more years. We need to begin to build upon the FY 2010 increase by changing the economic outlook on our reservations and for our people. An additional $45 million for IHS and $20 million for BIA of CSC funds in the jobs bill would allow us to move towards developing jobs and giving hope back to our people who have with stood the impacts of CSC shortfalls for far too long.

Thank you.

Sincerely,

Charlene Nelson
Chairwoman

THE SHOSHONE-PAIUTE TRIBES
OF THE DUCK VALLEY INDIAN RESERVATION
P.O. Box 219 Owyhee, NV 89832
(208) 759-3100
www.shopaitribes.org

February 5, 2010

Dear Senators:

I write on behalf of the Shoshone-Paiute Tribes of the Duck Valley Indian Reservation to request your support in efforts to include contract support cost funding in the anticipated jobs stimulus legislation. We provide medical and other services to members of the Shoshone-Paiute Tribes as well as surrounding non-Indian communities and ranches. The majority of services we provide are on behalf of the United States Government and are funded through contracts with the Indian Health Service and the Bureau of Indian Affairs – under the Indian Self-Determination and Education Assistance Act of 1975.

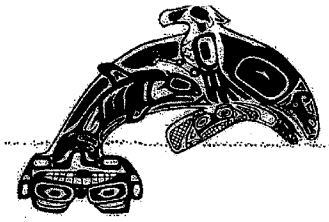
The effectiveness of the services we can provide is greatly impacted by the level of funding of contract support costs. This is especially important in our case because of the remote location of our reservation and the isolation of the surrounding area. This has a large impact upon the level of services we can provide. Historically, our contracts were awarded with contract support seriously underfunded. The result has been jobs and thus services unfilled because we are then required to meet those unfunded administrative costs with money taken from direct program allocations.

We understand the President's budget for 2011 proposes long needed increases in contract support costs. This is good news for 2011. However, if funds were added to the jobs stimulus legislation this year, we would be able to hire additional staff in 2010 rather than waiting a year. With the funding of contract support costs this year, we could hire additional staff members who would then roll over into permanent positions funded by contract support funding in 2011. This would mean jobs now, rather than delaying the benefits to our Tribe and the rest of Indian Country where the highest levels of unemployment now exist.

I urge you to favorably consider this proposal and I stand willing to provide any assistance as needed. Please do not hesitate to call me if the need arises.

Sincerely,

Robert C. Bear
Tribal Chairman



SQUAXIN ISLAND TRIBE

February 3, 2010

Re: Support CSC for Tribal Employment Opportunities in the Pending Jobs Bill

Dear Senators:

On behalf of the Squaxin Island Tribe, I am requesting that you consider including Contract Support Costs (CSC) funds in the Jobs Bill that will support jobs creation in Indian Country. These funds are an essential element to the success of Self-Determination and Self-Governance Tribes. Tribal unemployment is at an alarming 50% nationwide and as high as 70% in some communities. While the increase in CSC in the FY 2010 budget will begin to address the long-term shortfall in the Indian Health Service (IHS) and the Bureau of Indian Affairs (BIA), it will take longer to see the benefit in the overall tribal economy especially employment and job creation. In addition to the additional appropriations, we need help in the Jobs Bill that is before Congress.

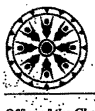
Tribes, as contractors to the federal government, continue to receive less than adequate CSC funding to fulfill the scope of the contracts and compacts which necessitates using Tribal funds to perform our agreement obligations. Reports have indicated that for every $10 million in CSC shortfall funding some 100 jobs and $6 million in third party revenues are lost. This request will enable the federal government to move toward fulfilling its obligations to Tribes and building strong reservation economies.

Thank you for considering this request.

Sincerely,

Dave Lopeman
Chairman

SQUAXIN ISLAND TRIBE / 10 S.E. Squaxin Lane / Shelton, WA 98584



Alaska Native Tribal Health Consortium

Office of the Chairman and President
4000 Ambassador Drive • Anchorage, Alaska 99508

January 29, 2010

Dear Senator Murkowski:

I am writing to request your support to include $45 million for Indian Health Service (IHS) contract support costs (CSC) within the proposed jobs-creation bill. Alaska Tribal Health organizations could expect to receive about $18 million, or 40%, if the $45 million were provided to cover the CSC shortfall, resulting in approximately 425 jobs in Alaska. These funds could be available almost immediately upon passage of a jobs bill through funding mechanisms already in place with the IHS. Inclusion of these funds would also go a long way toward fulfilling the obligation of the federal government to fully fund CSC for tribes that contract with the IHS—these costs are underfunded by $100 million for fiscal year 2010.

We estimate that every $1 million increase in CSC would fund an additional 23.6 positions. These funds go so far because for every provider generates additional revenues from third-party payers (e.g., Medicare, Medicaid and private insurance) that can be used to hire additional providers or increase access to services. Thus, we estimate that this $18 million infusion to Alaska would create 425 health care and support positions in the Alaska Tribal Health System. These jobs could be permanent if funding for IHS CSC for FY 2011 is increased by the same $45 million we are requesting in a jobs-creation bill, and that is rumored to be in the President's FY 2011 Budget request.

We know that a major impetus for a jobs-creation bill is to create jobs quickly to combat the high unemployment rate and to stimulate the economy. The provision of IHS CSC funds in a jobs-creation bill would perfectly address this issue. First, all tribal health providers in Alaska have current vacancies that could be filled almost immediately upon passage. In addition, our existing funding mechanisms through the Indian Health Service could allow CSC funds to be distributed in as few as 10 days following the passage of a jobs-creation bill.

For the Alaska Native Tribal Health Consortium (ANTHC) specifically, we could expect to receive approximately $3 million if $45 million were provided for IHS CSC. This would equate to 70 jobs, ranging from physicians to billing specialists to construction crews for village safe water projects. For example, we currently have the following 36 critical direct health care and public health position vacancies: 15 registered nurses, 10 physicians, 3 biomedical technicians, 3 engineers, 2 licensed practical nurses, 2 physician assistants and 1 speech language/pathologist.

As you know, the services provided by ANTHC go well beyond the tertiary care provided at the Alaska Native Medical Center that ANTHC jointly manages with Southcentral Foundation. As a public health organization, ANTHC is also a design and engineering group, construction project manager, purchaser of medical care services, medical supply distributor, professional recruiting agency, technology development enterprise, health research organization, public health and advocacy agency, and a health information systems manager. Additional funds would allow us to fill vacant positions to support these other public health functions and strengthen all of the essential services we provide to Alaska Natives and American Indians (AN/AIs) who live in Alaska. These positions include enrollment technicians, financial analysts, medical billing staff, professional recruiters, information technology support, professional support staff, and construction crews to support our primary health and public health functions.

Therefore, almost immediately upon passage of a jobs-creations bill, Alaska Tribal Health organizations could be working towards filling 425 desperately needed health care and support positions. This would not only provide much needed jobs in Alaska, but also allow for the increased provision of essential health care services for AN/AIs throughout the state.

For these reasons, we respectfully urge your support for the inclusion of $45 million for IHS CSC within any jobs creation bills being considered. We would be happy to provide any additional information you may need for securing a healthier future for Alaska. Thank you for your attention to this issue and for your continued support of the Alaska Tribal Health System.

Sincerely,

Andy Teuber
Chairman and President

January 27, 2010

Dear Senator Cantwell and Senator Murray,

Thank you for reviewing my, Native American, small business owner opinion regarding the scheduled hearing of "50% unemployment rate in Indian Country". My sister and I are Tribal entrepreneurs operating a business within the Spokane Reservation which is geared toward providing a world class product line, but also solutions to our people who face a daunting job market.

The Senate Committee on Indian Affairs is conducting a hearing to receive testimony on the status of unemployment within Indian country. The witness list on the hearing agenda, while representative of non-profits and government sector officials, is noticeably not inclusive of Native American owned businesses within Indian country. After the President's State of the Union Address last night, it is clear that the President is focused upon bringing resources and tax credits to this Nation's small business sector to spur business development and growth. The Committee should also be focused upon allowing Native American owned small businesses the same opportunities to access resources, leverage tax reductions, and access financial incentives accorded to Tribes.

The small businesses operated by Native Americans are a key sector which will inevitably spur employment within Indian country and create innovative opportunities for Native Americans to gain jobs skills and a living wage income. We cannot accomplish this without the assistance and the access to Federal resources that Indian Tribes and other businesses in this Nation enjoy. In order to effectually address the 50% unemployment rate in Indian Country we must also responsibly increase and encourage the capacity of private Native American business owners to access capital and programs *utilized* for reducing unemployment rates on or near tribal communities. Private business assists and positively contributes to reducing unemployment rates *across the nation* and within *Indian Country*.

An important point that should be emphasized is the bureaucracies and their inefficiencies in delivering programs to Native owned businesses to spur economic development. Many times the Federal agencies charged with delivery of economic programs to Native owned businesses either lack the flexibility or are hampered by internal bureaucratic processes when awarding contracts or access to Federal resources. As a small business owner, we do not have unlimited resources to expend waiting on Federal bureaucrats to make a decision or obligate Federal resources to assist us in developing business opportunities.

A question that we would encourage you to ask the Federal agencies is what are the successful and effective initiatives embraced by DOI, BIA (OIEED) which foster *real-life* collaborative efforts with self-driven Native American business owners? By investing in dedicated established Native American business owners these Federal agencies would acquire tireless partners whom possess a long-term vision of economic sustainability in the tribal community and business acumen built upon previous success. It would be advantageous to consider private Native American business owners a *valuable resource partner* in achieving increased employment objectives on or near tribal communities.

The private Native American business owner acquires a twofold vested interest in the tribal community. Personal funds are invested in the business and the company is actively investing time and effort in the process of recycling dollars in their respective tribal community. We (Native American business owners) contribute *solutions* to the 50% unemployment rate challenges looming in Indian Country. By fostering private Native American business success via responsible economic initiatives, our business operations can begin to address unemployment rates in Indian country and hopefully decrease the high rate of unemployment by allowing us the opportunity to provide living wage jobs to our people.

The well-being of the United States economy can be viewed by the positive health of private business (this is fact). Should this same economic concept also apply to segments of Indian Country? YES, I say, it does!

I suggest there be representation from private Native American business owners regarding the unemployment rate in Indian Country; articulating the necessity of including us in any solutions being considered and as a source of investment of Federal dollars to combat high unemployment. I would be more than pleased to offer my Native American business owner input, in attendance, during the hearings but at this time my private Native American business cannot absorb the expense of such a journey to Washington D.C..

Thank you for considering my comments. I am an enrolled member of the Spokane Tribe, Washington State; my small business is Sister Sky.

In the Spirit of Tribal Economic Sustainability,

Marina TurningRobe
President, Principal Partner
M.B.E. Certified, Native American Enterprise
Sister Sky

Thomas M. Moll
Partner

January 27, 2010

665 Main Street / Suite 400
Buffalo, New York 14203-1425

Dear Senator Dorgan and Senator Barrasso,

I am writing to you on behalf of the Seneca Free Trade Association to thank you and the United States Senate Committee on Indian Affairs for taking an interest in the staggering unemployment rate within Indian Country; the recent announcement of the January 28, 2010 Oversight Hearing on "Unemployment on Indian Reservations at 50%: The Urgent Need to Create Jobs in Indian Country" is timely and welcomed by all of Indian Country.

The Seneca Free Trade Association ("SFTA") has been chartered by the Seneca Nation of Indians to create employment opportunities and jobs and to protect, expand and diversify the private sector economy of the Seneca People. The SFTA is comprised of hundreds of businesses licensed by the Seneca Nation to engage in treaty-protected commerce on and from the Territories of the Seneca Nation. Members of the SFTA employ thousands of Indian and non-Indian workers in a variety of private sector enterprises operating on Seneca Territories. The Territories of the Seneca Nation are located within the western borders of New York State.

The SFTA is not only interested in job creation, but we are equally interested in protecting existing commerce and jobs within Seneca Territory. The SFTA would like to bring your attention to a bill pending in the Senate that threatens to drive Indian unemployment rates even higher. Senate Bill 1147, the Prevent All Cigarette Trafficking Act of 2009, also known as the PACT Act, has been described by Tribal leaders and business owners as a potential economic tsunami that will have devastating and long lasting consequences for Indian-based tobacco economies and will also substantially increase unemployment throughout Indian Country. This bill has negative implications for Indian tobacco manufacturers, wholesalers, retailers, and tribal governments that generate substantial revenues from the tobacco trade taking place in and from Indian Country.

This bill not only threatens sovereign, inherent and treaty protected rights of federally recognized tribes and tribal entities, but, because the bill's sponsors and co-sponsors have refused to consider reasonable and less restrictive means of achieving the bill's underlying objectives, it unlawfully discriminates against Indian communities, commerce and employment. The bill will cause irreparable harm to many Indian tribes that have historically relied upon cigarette and tobacco revenues to fund essential tribal services such as health and education programs, and it will also eliminate many thousands of private sector jobs currently held by members of tribes and tribal entities. The PACT Act is an affront to the inherent sovereignty of all First Nations. The political rhetoric underlying the bill implies that Indian communities support terrorism and an underground tobacco black market; these accusations are a slap in the face to all tribes and for this reason alone the Senate Committee on Indian Affairs should exercise its oversight powers to evaluate the discriminatory impact of this anti-Indian piece of legislation.

If the PACT Act becomes law, the Seneca Nation's treaty-protected tobacco commerce will be devastated. The effects of this bill will be widespread and not limited to Seneca businesses but will impact Indian tobacco economies throughout the Country. The elimination of Indian Internet/mail order tobacco businesses will ultimately lead to catastrophic consequences for entire Indian tobacco economies. Because the PACT Act makes cigarettes and smokeless tobacco products nonmailable through the United States Postal Service, Indian tobacco manufacturers, distributors, stamping agents, wholesalers, and even Indian brick and mortar convenience stores will be affected resulting in significant additional unemployment throughout Indian Country.

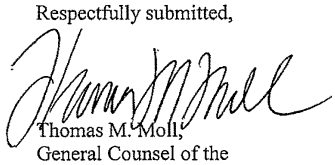
The sponsors of the PACT Act need to be educated concerning the historical origins of tobacco. They need to understand that tobacco has played, and continues to play, a far more significant role in Indian societies than it does in any other society on this planet. Indian societies throughout North and South America domesticated wild tobacco plants many centuries ago. Many Indian communities have always considered tobacco to be an important commodity which they freely traded long before the arrival of the European colonists.

The PACT Act has been improperly labeled by its supporters as an "anti-tobacco" bill; instead, this bill violates tribal sovereignty, shifts governmental revenues from Indian tribes to the states, promotes economic inequality in the tobacco marketplace by favoring non-Indian businesses over Indian businesses, and is further evidence that Indian communities are a disadvantaged minority when it comes to equal access to jobs and economic opportunity. The PACT Act is not an anti-tobacco bill and it is not a tobacco-related health measure. The PACT Act will not make it illegal to sell cigarettes or smokeless tobacco products. The PACT Act will not cause even a slight reduction in the total number of cigarettes or smokeless tobacco products sold within the United States. The PACT Act has nothing whatsoever to do with tobacco cessation. Although PACT Act supporters have made wildly exaggerated claims that the bill is designed to protect kids and prevents terrorist organizations from trafficking in illegal cigarettes,

the bill in reality is about eliminating Indians from the wholesale and retail tobacco distribution chain and eliminating competition at the manufacturer level from Indian and small, independent tobacco manufacturers. From its inception, this bill has been cloaked by false claims in an effort to disguise its true intention; that it is, in reality, a measure designed to reallocate and redistribute governmental tobacco revenues from Indian Tribes to the states and to reallocate and redistribute tobacco profits from Indian wholesalers, retailers and small tobacco manufacturers to non-Indian convenience store owners and "Big Tobacco" manufacturers, like Philip Morris USA/Altria.

The SFTA respectfully asks the Senate Committee on Indian Affairs to gather evidence and consider the impacts this particular bill will have on unemployment rates within Indian Country and the SFTA also asks that you make this communication a part of the official record of the upcoming Oversight Hearing.

Respectfully submitted,



Thomas M. Moll,
General Counsel of the
Seneca Free Trade Association

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