



STATE OF THE NAVAJO NATION ADDRESS

23RD NAVAJO NATION COUNCIL
2017 SPRING SESSION

MONDAY, APRIL 17, 2017



INTRODUCTION

Ya'at'eeh shi'ké doo shí' Diné,

Thank you, Honorable Speaker LoRenzo Bates and members of the 23rd Navajo Nation Council for allowing us to present the State of the Navajo Nation Address during the opening of the Spring Council Session. We would like to acknowledge the state, county, federal leaders and U.S. Congressman Tom O'Halleran who has traveled to join us here today. Most importantly, we would like to thank the Navajo people for their continued support of our administration.

As we come before you today, the Navajo Nation remains strong and continues to be looked upon as leaders among tribal nations. We have positioned our Nation to be prosperous in every aspect while securing our voice is heard in Washington, D.C. The United States and the Federal Government are watching and listening to us. Because of our relationships with Congressmen and Senators, we have the power to influence decisions at the top level of government.

Here at home, we are consistently moving forward on issues that we have set out to address through our administration like: providing housing for both our veterans and tribal members; bringing water, power and roads to areas that haven't seen these amenities; assessing the economic conditions that exist on our nation and providing avenues for business development and job creation; empowering and instilling hope in our youth; and ensuring that our budget provides for critical services to remain available to our people.

Every decision we contemplate, every legislation we consider and every initiative we support is done with the intention of creating and building a greater Navajo Nation.

NAVAJO GENERATING STATION

The potential decommissioning and shutdown of Navajo Generating Station is a major issue facing Navajo Nation. The resulting impacts are steadily approaching. The shutdown will cause 3,000 jobs to be lost between NGS, Peabody and affiliated contractors and entities.

The majority of royalties the Nation receives comes from royalties paid by Peabody. NGS pays the Nation roughly \$3 to \$4 million dollars a year with a small amount of this being tax. NGS' lease payment is very minimal at \$608,000. The rough estimate we face is anywhere from \$30 to \$40 million dollars that the Navajo Nation will be losing to the General Fund.

We have to address ways in which we can replace this revenue as it critically impacts our budget. Should NGS close, we are asking the Department of Interior for guaranteed access to transmission lines for development purposes. We are exploring options to develop solar, wind and other renewable energy sources of which we will need access to the transmission lines on our land. Additionally we would like to assume the rights to water and minerals on our land. Currently, we have no rights to minerals beneath our soil. As we seek economic independence, we would like rights to the Uranium, coal and other minerals beneath our soil.

We should also consider the potential to develop tourism industries specific to Navajo interests in the Page area.

The loss of revenue could cause a 12% to 15% reduction across the board as we formulate the FY 2018 budget.

NAAT'AANII DEVELOPMENT CORPORATION

We have to seize opportunities to compensate for the potential loss of revenue to the General Fund. Utilizing the Naat'aanii Development Corporation is a dynamic way in which we can generate revenue while building our local economy at the same time.



President Trump has prioritized bringing companies back to the United States and imposing tariffs on those companies that export work. Because of which, we have had major manufacturing companies approach the Navajo Nation looking to re-shore their operations to avoid the proposed tariffs.. Manufacturing plants create jobs which is in line with our priorities.

The Naat'aanii Development Corporation is structured in such a way that the companies underneath it are required to pay dividends to the Corporation. The company charter mandates a dividend schedule whereby up to 40% of all net earnings of subsidiaries will go back to the General Fund and Permanent Trust Fund.

The Naat'aanii Development Corporation will focus on four areas of development: Real Estate, Health Care, Manufacturing and Environmental.

We want to attract companies that are focused on generating revenue and jobs. Many of the Corporation's projects initially proposed in 2009 are currently on the verge of construction and set to open this year. These projects totaling \$15 million dollars will create up to 245 permanent and temporary jobs throughout the next few years.

We would like to thank Delegate Alton Joe Shepherd for working with OPVP on developing this legislation.

NAVAJO AGRICULTURAL PRODUCTS INDUSTRY

Beyond looking outside our borders for potential economic developments, we also have to consider the resources we have within the Nation. One of biggest enterprises is Navajo Agricultural Products Industry, also known as NAPI.

NAPI is currently focusing on an Organic Production Plan for land in Block 9 with a target time frame of transitioning over three years. NAPI's focus on an organic roll-out will target large retail chains, specialty markets, private labels and food service companies, brokers and distributors. There are plenty of retail opportunity within these markets.

We realize that NAPI can provide volume in terms of organics. In this time of prioritizing products manufactured in the United States, NAPI can utilize the Grown in the USA label to heighten brand recognition.

NAPI can also offset and provide solutions in providing fruits and vegetables to food service companies that already exist on the Nation and beyond. The metrics for success are optimal and include: product quality, economic yields, capturing price premiums, training personnel for expansion and increasing land value.

In moving toward organic production, NAPI will increase the number of employees along with farming acreage. Looking beyond 2018, NAPI has stated they will be able to push the labor camp well over 1,000 employees for seasonal employees. The expansion will also necessitate housing and infrastructure development.

ECONOMIC ZONE TASK FORCE

At the beginning of April, I signed a memorandum forming the Economic Zone Task Force with the goal of mapping out the entire Navajo Nation to identify economic development zones.

We have asked this task force to provide the required clearances, such as land withdrawals and environmental clearances, so that the areas can be immediately available for development.

There have been numerous studies put into developing these zones and the data is readily available. The task force will integrate the information to identify economic zones that the Nation can feasibly move forward in developing.

Considerations will be prioritized according to location, timing, feasibility, existing infrastructure databases and traffic studies. In identifying and developing these zones we can affect the areas of job creation and infrastructure to benefit



small business development, housing and developing our workforce.

PROTECTING OUR LANDS

Our lands inherently define who we are as Diné . We recently lost a great woman warrior in Katherine Smith, a land defender who resisted relocation because she knew her ancestral ties to the land were not defined by Congressional ruling or legislation. Her life was a testimony to protecting that which is sacred, our land.

In February, both Vice President and I joined forces with the All Pueblo Council of Governors to voice our position against fracking and horizontal drilling in the Chaco Canyon region. The meeting was historic as it was the first time the sovereign Pueblo governments and the sovereign Navajo Nation government came together on an issue. As descendants of the Chaco Canyon area, we hold spiritual connections to the land.

We believe that fracking and horizontal drilling in this area would be morally and culturally insensitive to all those tribes who hold the land sacred. Studies show that fracking is contaminating our water. To us, as Diné people, Water is Life. Increased drilling is already impacting our communities in Counselor, Nageezi, Torreon and Ojo Encino.

Through our representatives on the Bears Ears Commission, we are actively participating the development of a management plan for the Bears Ears National Monument. Co-management of this national monument between tribal and federal agencies is what we have always advocated on behalf of.

The Bears Ears National Monument holds cultural and spiritual significance to five other tribal nations who have ancestral ties to the area. As such, we will maintain that our voices are heard in the decision-making process. The Commission recently met with Tom Udall's staff on the Committee on Indian Affairs to tour the area. We have extended an invitation for Secretary of the Interior Ryan Zinke to visit the Navajo Nation and show him the issues we face firsthand.

As Diné , we have a responsibility to protect our sacred sites and the resources held within.

OFFICE OF NAVAJO HOPI INDIAN RELOCATION (ONHIR)

In February of 2016, President Begaye and Vice President Nez created the ONHIR Transition Team to address the potential closure of ONHIR.

Recently, the Navajo Nation Washington Office received notice that Senator John McCain will put forth legislation calling for the closure of the Office of Navajo Hopi Indian Relocation in 18 months, by October 2018. We are advocating that ONHIR remain open until relocation is complete. We have been holding monthly meetings with impacted chapters, Bureau of Indian Affairs and ONHIR. The ONHIR Transition Team in working with the BIA and ONHIR has put together a transition plan and a budget of \$22 million dollars.

In Section 13 of the Navajo Hopi Relocation Act, ONHIR was obligated to not only provide housing but also medical and counseling services, economic and community development, and infrastructure. When the act was amended, Section 13 was deleted. Our people agreed to relocate for these purposes and are entitled to these obligations.

Beyond working on the final draft of the ONHIR closeout legislation, we are holding the federal government responsible to provide for the unfulfilled obligations that haven't been promised to relocatees.

Lastly, the Padres Mesa Demonstration Project which provides quality Navajo Beef utilized by our gaming facilities and is more recently being offered in local supermarkets. The Transition Team is working with local ranchers and Nahata-Dzill community to ensure this project will continue. The team is developing an enterprise while advocating for Congressional funding to ensure that the project will continue.



STATE OF NEW MEXICO

We have always emphasized state-tribal collaboration to promote sovereignty, protect natural resources and sustain infrastructure projects with the New Mexico State Legislature. Together, we can work to protect the quality of water, land and air for the State of New Mexico and the tribes who live there.

In working with the State of New Mexico to provide funding for Navajo infrastructure projects, the Nation realizes the collaboration yields funding for chapter improvements, senior citizen centers and veteran's buildings.

In 2016, the Navajo Nation completed 62 projects. Thirty families in Mariano Lake Chapter were provided water through the Tribal Infrastructure Fund.

We will continue to work with New Mexico legislators to change the laws regarding dual taxation which negatively affects both the consumers and business owners on the Navajo Nation. Our tribal members spend millions of dollars in New Mexico border towns while also contributing \$7 to \$8 million dollars to the State from gaming revenue. We are calling upon New Mexico legislators and allies to work with us on this issue.

PUBLIC SAFETY FUND

On the night of March 11, the Navajo Nation lost Officer Houston James Largo who was shot while responding to a domestic violence call in Casamero Lake, N.M. No judgement or sentence will bring Officer Largo back to his family or to the Navajo Nation.

During this Spring Session, Council will consider the Navajo Nation Public Safety System Fund Act of 2017. We support this legislation to establish a public safety fund to address safety issues that exist on the Nation. This fund will assist our public safety participants in addressing the monsters of violence and substance abuse that plague our people. We need to afford our officers, emergency responders and fire fighters the tools necessary to ensure healthier and safer communities.

We need this fund as it will allow system participants to tap into the fund income to cover shortfalls allowing them to respond to dramatic shifts in crime levels. It will allow the Nation to add officers, prosecutors, defenders and judges to strengthen the overall system. The fund will also facilitate capital projects like police substations, detox facilities and domestic violence shelters.

As we move forward in utilizing the Public Safety Fund, we will address fair and competitive pay increases for our police officers. Our police department is experiencing a surge in interest from applicants who have heard about the competitive benefit plan the Nation offers and the realistic potential for higher pay for officers.

We support this legislation without any additional amendments that might negate the voice of the Navajo people in requiring Presidential signatory authority in appropriating dollars from the fund.

NAVAJO COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION

On Mar. 27, I signed off on legislation appropriating \$20 million dollars to the Sihasin Fund Navajo Community Development Financial Institution (CDFI) Economic Development Expenditure Plan. We believe that the Navajo CDFI is a tool that will benefit the Nation by helping entrepreneurs start businesses.

The vision of Navajo CDFI is to develop a financial infrastructure and a sustainable capital based economy on the Navajo Nation. The project is proposed to be a financial catalyst that will support and strengthen the private sector in creating a private business economy.



Establishing the Navajo CDFI will build capacity for tribal development through a range of financial products and services, not limited to loans, loan guarantees and other financial services. It will provide a source of funding for qualified Navajo-owned businesses and industries, Navajo governmental entities and private non-profit organizations established to foster economic development on the Nation.

The Navajo CDFI, as a U.S. Treasury certified Community Development Entity, will also be eligible to receive New Market Tax Credits from the Federal CDFI Fund. The New Market Tax Credit program provides incentives for community development through the use of tax credits that attract private investment to distressed communities.

NAVAJO NATION AD-HOC YOUTH COUNCIL

OPVP fully supports legislation #0019-17 that will change the Navajo Nation Ad-Hoc Youth Council to the Navajo Nation Youth Advisory Council. Our Diné Nation will not only lead us into the future but their voices are critical in leading the nation right now. This legislation is in the best interest of the youth of the nation to ensure they have a voice to provide guidance on policies that affect them at all three branches of Navajo Nation government.

HEALTH AND WELLNESS

The health and wellness of the Navajo Nation is an intrinsic component of the Begaye-Nez administration and to this end, we have implemented a number of initiatives. The Navajo Parks Race Series, which highlights our tribal parks across Navajo land is an effort that has garnered much support, especially with our partners at Navajo Youth Empowerment Services.

Navajo YES has also provided valuable assistance with our Navajo Nation Trail Development Summit. This summit encouraged our Navajo chapters to create or build upon existing trails in their communities for runners, bikers and walkers. We are encouraging these chapters to utilize funding from Healthy Diné Nation Act tax dollars.

We are also developing the Navajo Nation Employee Wellness Policy. This policy will provide tribal employees with up to an hour to exercise or participate in other health related events. This includes food preparation or presentations on healthy living.

We executed our inaugural Diné Bich'iiya Summit earlier this month at Diné College in Tsaile. This brought together farmers, traditional elders, representatives from the health field and others. The summit was a continuation of the Navajo Nation Gardening Challenge we launched last year with Northern Arizona University Institute of Tribal Environmental Professionals and featured live demonstrations, traditional concepts on food and farming, discussions on gardening, and much more.

Running Diné Bi Keyah is the latest initiative launched on January 1, 2017. We are challenging the Navajo Nation to run with us and share their photos, videos, stories and information on running trails in their communities.

The road to healthy living begins with a single step and we encourage you to join us.

DINE ACTION PLAN

The Diné Action Plan was created to provide our people, providers, officers, prosecutors a plan of action to combat against our 21st century Naayéé (monsters). Today, our Naayéé' are the societal, economic, and individual monsters that lead to suicide, violence, and addiction. This plan will utilize our Diné values and teachings to address the inad-equate response to problems as difficult and complex as these Naayaáé'. Through the collective efforts by the three



branches to combat these monsters, this plan will serve in the best interest of our people, communities, and Nation.

NDOT WORKING TO HIRE EMPLOYEES FROM BIA DOT

Since 2013, the Navajo Department of Transportation (NDOT) has been receiving funding directly from the Federal Highway Administration. The Bureau of Indian Affairs (BIA) has recognized this as a major accomplishment for NDOT and the Navajo Nation. Before this, funding was provided from the Federal Highway Administration to the Navajo Regional BIA DOT program and then to NDOT.

In light of decreased funding within the BIA, they have cut areas to meet their budgetary reductions. The BIA DOT program out of the Navajo Regional Office incurred a reduction of approximately 40 employees.

OPVP is working with NDOT to hire employees that have been let go from the Navajo Regional BIA DOT program because of their experience and background in working with transportation issues. The system by which NDOT will hire these employees should be finalized by September 2017.

NAVAJO HOUSING AUTHORITY (NHA)

There are issues and questions being raised by the Senate Committee on Indian Affairs in Washington, D.C. We will be working collaboratively with the congressional delegations and their staff who are inquiring about NHA activities and operations. We will continue to diligently lobby to keep the \$85 million dollar allocation to build HUD homes for our people.

IN CLOSING

Many of our people are attending to field work during this spring season. They are preparing their fields and clearing their irrigation canals to start the growing season. The spring season provides us with the opportunity to plant seeds that will grow into fruits and vegetables that will sustain our families and communities.

In accordance with this paradigm, we will plant seeds, ideas and conceptual plans that will bloom into project development, infrastructure development and economic growth. The Navajo Nation is prosperous in many ways and our administration will work to see that it stays this way.

We thank the Navajo Nation Council for their continued support and collaboration on legislations critical to our people and communities.

God Bless you all and God Bless the Navajo Nation.

Ahéhee’,

Russell Begaye, *President*
THE NAVAJO NATION

Jonathan Nez, *Vice-President*
THE NAVAJO NATION