

United States Senate
WASHINGTON, DC 20510

January 9, 2009

The Honorable Barack Obama
President-Elect
451 6th Street, NW
Washington, DC 20240

Dear Mr. President-Elect:

As you are aware, the United States owes a unique legal and moral obligation to over 560 federally recognized Indian tribal governments based on treaties, federal laws, and court decisions. To meet this solemn responsibility, we write to urge you to provide funding for tribal governments and programs in your American Recovery and Reinvestment Plan. Doing so will help address the substantial infrastructure and employment needs of American Indian and Alaskan Native communities throughout the country.

Tribal infrastructure needs are significant and longstanding. The more than \$50 billion unmet need in Indian reservation infrastructure poses both a danger to reservation residents and a barrier to investment and economic development of tribal communities. As you noted earlier this year, "Poverty and its effects are pervasive [in Indian Country], with more than quarter of all Native Americans living in poverty and unemployment rates reaching 80 percent on some reservations."

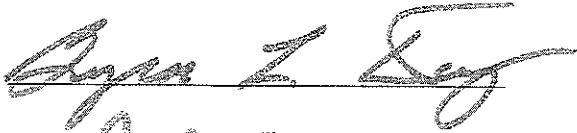
We have attached a plan to address these needs in a comprehensive manner. The attached plan meets the requirements set forth by the Presidential Transition Team, and helps reach the goals set forth in your "Principles for Stronger Tribal Communities." This plan will immediately stimulate Indian reservation economies nationwide, put tens of thousands of reservation residents to work, and provide long lasting support for Indian Country economic development.

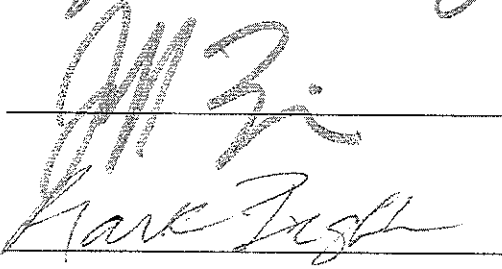
The attached \$3.58 billion plan includes the following funding requests:

- \$1.2 billion for Indian health facilities construction and support;
- \$360 million for construction of tribal justice infrastructure and support;
- \$568 million for construction of tribal roads and bridge projects;
- \$658 million for construction of tribal schools and colleges;
- \$50 million for housing construction, weatherization, and heating in Indian Country;
- \$80 million for Indian jobs training and business development;
- \$600 million for water infrastructure development in Indian Country;
- \$4.4 million for energy development on Indian lands; and
- \$50 million to address Indian land fractionation.

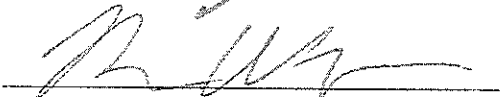
We thank you for your consideration of this important request, and look forward to working with your Administration in the years ahead to make the United States stronger, safer, and healthier for all Americans.

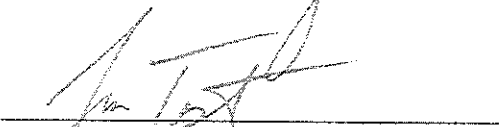
Sincerely,

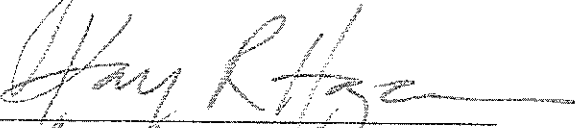









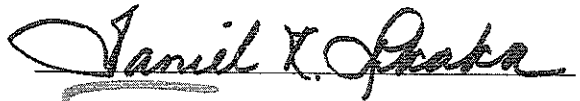




















- cc:
- The Honorable Harry Reid, Senate Majority Leader
 - The Honorable Mitch McConnell, Senate Minority Leader
 - The Honorable Nancy Pelosi, Speaker of the House
 - The Honorable John Boehner, House Minority Leader
 - The Honorable Daniel K. Inouye, Chairman, Senate Appropriations Committee
 - The Honorable Thad Cochran, Ranking Member, Senate Appropriations Committee
 - The Honorable David Obey, Chairman, House Appropriations Committee
 - The Honorable Jerry Lewis, Ranking Member, House Appropriations Committee

**Job Creation, Recovery, and Reinvestment Plan to Aid
Native American and Alaska Native Economies**

January 9, 2009

This proposal outlines projects and programs that will address the severe infrastructure and employment needs within our nation's Native American communities. Direct funding to tribal governments for these projects and programs will immediately stimulate reservation economies, cut into the double digit unemployment rates in many tribal communities, and have a long-lasting effect on tribal community health, welfare, and economic development. The projects funded through this proposal would invest money in more than 560 Indian reservation communities across more than 30 states, providing a diverse impact on our national economy.

CONSTRUCTION OF INDIAN HEALTH CARE FACILITIES & SUPPORT COSTS

Recommended funding: \$1.2 billion (Indian Health Service) (\$100 million to be deposited into the Emergency Fund to be used for Indian Health Care)

- Indian Health Facilities Construction – \$400 million
- Facilities Improvement and Maintenance – \$250 million
- Health Sanitation Facilities for Homes – \$250 million
- Modernization of Indian Health Information Technology System – \$100 million
- Contract Health Services – \$200 million (*\$100 million from the Emergency Fund*)

Substantial funding for the construction of Indian health care facilities and support services will immediately stimulate reservation economies and put hundreds of Americans to work. In addition, funding for these projects will improve the health and welfare of the reservation working population for future generations to come.

The Indian Health Service (IHS) provides the only means to health care for the majority of Native Americans. IHS facilities are in deplorable condition: the average age of IHS health care facilities is 33 years; many facilities are severely overcrowded; and the IHS does not have sufficient resources to address the ongoing need for expansion. The overall backlog for health care construction and maintenance for facilities within the IHS system is estimated at \$3 billion.

Agency officials state that they can spend out over \$1 billion for construction and maintenance projects over the next two years. The agency estimates a need of \$222 million to update the information technology of the HIS, which will improve access to health care and enable the agency to provide telehealth services.

CONSTRUCTION OF TRIBAL PUBLIC SAFETY & JUSTICE INFRASTRUCTURE

Recommended: \$360 million (Departments of Interior and Justice) (*\$272 million to be deposited into the Emergency Fund to be used for Indian justice systems*)

- Replacement of Indian Jails – \$250 million (DOJ)
- Indian Jails Improvements and Repair – \$50 million (Interior)
- BIA Public Safety and Justice, one-time equipment and technology upgrades – \$30 million (Interior)
- COPS Tribal Resources Grants Program, one-time equipment and technology upgrades – \$30 million (DOJ)

Providing funding for tribal justice systems will also immediately stimulate reservation economies and put hundreds of reservation residents to work. In addition, funding tribal justice related projects will have the long lasting effect of reversing the public safety crisis that currently exists in Indian Country. This crisis has proven to be significant deterrent to investment in tribal economies.

In 2004, the Interior Department's Inspector General has deemed the state of jails in Indian Country "a national disgrace." A separate Interior Report titled "Master Plan for Justice Services in Indian Country" found that the maintenance backlog at BIA and Indian jails facilities is over \$8 billion. This Report recommended replacement of 90% of the 84 BIA and Indian jails in existence.

To address this crisis, we recommend funding to construct tribal public safety infrastructure needs, and one-time funding to upgrade tribal justice telecommunications and interoperability equipment, vehicles, and technology needs. Agency officials have stated that they can spend out \$400 million in justice related facilities replacement construction and repair over the next two years.

CONSTRUCTION OF TRIBAL TRANSPORTION INFRASTRUCTURE PROJECTS

Recommended: \$568 million (Indian Reservation Roads)

- Construction of new and replacement roads and bridges – \$310 million
- Maintenance and Improvement of existing infrastructure – \$258 million

Construction of Indian reservation roads and bridges will create thousands of jobs, and stimulate tribal economies through contracts and related procurement expenditures. Funding these projects will also help to save lives by improving road safety on Indian reservations, which have the highest transportation accident rates in the nation.

The total unmet need for transportation infrastructure in Indian Country is over \$20 billion. The Bureau of Indian Affairs has identified 896 construction-ready projects, with a total value of over \$310 million. These already-designed and permitted projects are ready to proceed to

construction immediately to create 21,500 new jobs, improve our tribal communities' crumbling infrastructure and distressed economy. Further, the BIA estimates that the unmet need for maintenance and improvement of existing transportation infrastructure serving tribal communities is \$258 million. Providing funding in the amount of \$568 million will ensure completion of most of these construction-ready and maintenance projects.

CONSTRUCTION OF BIA AND TRIBAL SCHOOLS AND TRIBAL COLLEGES & UNIVERSITIES

Recommended: \$659 million (Departments of the Interior and Education)

- New Construction of K-12 School Facilities – \$344 million
- Maintenance and Repair of K-12 School Facilities – \$150 million
- Tribal Colleges and Universities Construction and Improvement Projects – \$100 million
- Tribal Colleges and Universities one-time Forward Funding – \$65 million

As with the other infrastructure projects recommended in this proposal, funding for Indian education will provide immediate jobs and stimulate the local economies through procurement-related expenditures. These projects will also make a significant improvement in the daily lives and education of thousands of Native American students, which will in turn provide long lasting returns to reservation economies, health, and welfare.

The Bureau of Indian Education within the Department of the Interior (BIE) oversees 4,995 education buildings throughout Indian Country. In May 2007, the Office of Inspector General found that 83% of these schools face critical health and safety violations, which pose a potential for serious injury or death to students.

The BIA has indicated that the agency could obligate more than \$400 million in school construction funding over the next 2 years. In addition, the maintenance backlog for existing facilities is estimated to be over \$500 million and increases annually by \$56.5 million. Providing funding in the amount of \$494 million will replace the schools in greatest disrepair and make the necessary safety improvements and repairs for the worst-situated schools.

Like the K-12 BIE and tribal schools, many Tribal Colleges and University facilities are in disrepair and lack modern technological infrastructure. Providing \$100 million in funding for the construction and improvement of these facilities will immediately improve the quality of services these institutions provide. In addition, we recommend providing a one-time infusion of \$65 million in forward funding for TCUs to prevent layoffs and reliance on short-term loans to begin the academic year.

INDIAN JOBS TRAINING AND BUSINESS DEVELOPMENT

Recommended funding: \$80 million (Departments of the Interior and Treasury)

- Job Placement and Training – \$20 million (Interior)
- Capital Investment in Indian Country (Indian Guaranteed Loan, Taxable Bonding, and Surety Bonding Programs) – \$58 million (Interior)
- CDFI's in Indian Country – \$2 million (Treasury)

Funding to enhance the job placement & training and capital investment programs administered by the Department of Interior will directly and immediately put reservation residents to work, enhance Indian Country business development, and enable the tribal workforce and Indian-owned businesses to participate in building the infrastructure projects that will be a part of the recovery efforts.

The Department of the Interior administers a job placement and training program that hires and trains the unemployed where unemployment is the most severe. Providing \$20 million in program funding would allow Interior to enhance this program.

The Interior Department has the authority to guarantee and insure loans, and guarantee taxable bonds issued by tribal governments, and insure bonds issued by tribal governments. Currently, the Interior program leverages taxpayer money at a rate of approximately \$15 in new lending activity for every \$1 of program cost. Providing \$58 million in program funding would allow Interior to finance more than \$800 million in reservation energy and other infrastructure projects, and is expected to create more than 5,000 new jobs.

Tribes cannot issue tax-exempt bonds to the same extent as state and municipal governments. This hampers the development of many tribal infrastructure projects. Allowing tribes to issue tax exempt bonds to the same extent as state and municipal governments would provide an additional avenue for significant economic development in Indian Country.

HOUSING, WEATHERIZATION, AND HEATING IN INDIAN COUNTRY

Recommended funding: \$50 million (Department of the Interior)

Native Americans face some of the worst housing and living conditions in the United States. Approximately 14.2% of Indian homes have no electricity, 11.7% lack complete plumbing, and 11% lack kitchen facilities. In addition, like many Americans, American Indian and Alaska Native communities face a serious crisis in meeting their heating needs this winter. This problem is exacerbated for the many tribal communities that reside in cold climate areas. Providing the Department of the Interior with \$50 million to fund the Housing Improvement

Program, and programs that help pay for weatherization and heating costs for individual Indian homes will help build more than 750 new homes, heat thousands of homes, create over 1,000 new jobs, and stimulate tribal and nearby economies through the purchase of related materials.

WATER INFRASTRUCTURE ON INDIAN RESERVATIONS

Recommended funding: \$600 million (Department of the Interior) (\$400 million to be deposited into the Emergency Fund to be used for approved Indian water settlements)

- Irrigation Facilities and Dams Improvements – \$200 million
- Authorized Water Settlement Projects – \$400 million (*from the Emergency Fund*)

Development of infrastructure to deliver clean drinking water and provide sanitation facilities on Indian lands lags far behind the rest of the United States. Many tribal members in rural areas must truck in water supplies or boil water. The Indian Health Service reports that 11% of Indian and Alaska Native homes lack access to safe drinking water and sanitation infrastructure, compared to less than 1% of homes nationwide. Dams and irrigation facilities on Indian lands are also in need of routine maintenance and upgrades.

Funding is needed for new construction, repair, and deferred maintenance projects for various Indian irrigation systems. The Department of the Interior's Bureau of Indian Affairs has also identified dam safety actions and the repair and maintenance of projects for dams on Indian lands that are needed in the short term to prevent loss of life or economic damage. \$200 million in funding should be directed to the Department of the Interior's Bureau of Indian Affairs and Bureau of Reclamation who oversee construction, operation and maintenance of Indian irrigation and dam facilities.

TRIBAL ENERGY INFRASTRUCTURE AND DEVELOPMENT

Recommended funding: \$4.4 million (Department of the Interior)

- Indian Energy One-Stop-Shops – \$4.4 million (Interior)

The development of Indian Country's energy resources has great potential to provide thousands of traditional and green energy jobs as well as greatly increase domestic energy production. Indian lands make up less than 5% of the land of the U.S., but it is estimated that they contain 10% of the country's energy resources. Tribal energy resources are often not developed because of the cumbersome federal review and approval process. The 49-step process involves multiple federal agencies and Departments in order to complete a single tribal energy project. Federal agencies are often unable to process approvals in a manner that allows Tribes to arrange the financing and build the partnerships needed to compete in the energy industry.

This process could be significantly improved by providing funding to develop 4 to 5 regional Indian Energy One-Stop-Shops. Indian Energy One-Stop-Shops will co-locate all federal energy related staff and resources under one roof, which will streamline the current process and reduce processing times significantly. It will cost approximately \$1,100,000 for each One-Stop-Shop.

LAND FRACTIONATION ON INDIAN RESERVATIONS

- **Recommended funding: \$50 million (Department of the Interior)**

Fractionated land ownership is by no means unique to Indian Country but nowhere in the United States is it so acute. While non-Indian lands can become fractionated as a result of inheritance without a will, a variety of mechanisms in state law that are not applicable to Indian lands usually unify title to non-Indian land into a single person or entity. Fractionated ownership of Indian lands prohibits the efficient and economic use of those lands. It also creates a significant administrative burden on the federal agencies responsible for managing those lands. It is not unusual for tracts of Indian land to be owned by not only dozens of people, but sometimes hundreds or even more than one thousand individual Indians. Purchasing the fractional interests in these lands and unifying title is a critical first step toward restoring the lands to a state of economic productivity. It would also put money into the hands of a very large number of individual Indian landowners, who would immediately funnel the monies into the economy.

EMERGENCY FUND FOR TRIBAL PUBLIC SAFETY, WATER, AND HEALTH CARE INFRASTRUCTURE CONSTRUCTION AND SUPPORT

Recommended funding: \$800 million (Department of Treasury) (allocated in above sections for tribal health, justice, and water projects accordingly)

- Water Settlement Agreements and Projects – \$400 million
- Public Safety and Justice Infrastructure – \$300 million
- Indian health services and facilities – \$100 million

In 2008, Congress passed the Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008 (PEPFAR). This law established the Emergency Fund for Indian Safety and Health at the Department of the Treasury. The Fund is authorized at \$2 billion for FY09-FY14 to address critical law enforcement, water, and health care needs in Indian Country.

This request to place \$800 million in the Emergency Fund is included in, and should not be added to, several of the requests listed above for the construction of Indian health and justice infrastructure and approved tribal water settlements.