



# The Confederated Tribes of the Colville Reservation



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Prepared Statement of the Honorable Michael Finley, Chairman  
Confederated Tribes of the Colville Reservation

Senate Committee on Indian Affairs

Oversight Field Hearing on Economic and Social Issues  
Affecting the Northwest Tribes

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Puyallup, Washington

Good morning Chairman Dorgan, Senator Cantwell, and members of the Committee. On behalf of the Confederated Tribes of the Colville Reservation (“Colville Tribes” or the “Tribes”), I would like to thank the Committee for convening this hearing and allowing me to testify. My name is Michael Finley and I am the Chairman of the Colville Tribes and am testifying today in that capacity. In addition, I also serve as the Chairman for the Intertribal Monitoring Association on Indian Trust Funds, a national organization comprised of 65 federally recognized tribes from all regions of the country.

Today, I am pleased to share the Colville Tribes’ ideas and experiences as the Committee considers its agenda for the remainder of the year and into the 112<sup>th</sup> Congress. As a rural, land-based Indian tribe, the economic and social issues affecting the Colville Tribes mirror those of similarly situated tribes in the Great Plains and elsewhere.

Before I begin, I would first like to express my thanks to the Committee for its work in securing passage of the Tribal Law and Order Act of 2010. The Colville Tribes was pleased to have been able to participate in two oversight hearings that the Committee held on law enforcement during this Congress and applauds the Committee for crafting legislation that addresses such a broad scope of public safety concerns in Indian country. This law will make an immediate, on-the-ground impact on the Colville Reservation and on the safety of the Colville Tribes’ citizens.

## **Background on the Colville Tribes**

Although now considered a single Indian tribe, the Confederated Tribes of the Colville Reservation is, as the name states, a confederation of twelve aboriginal tribes and bands from all across eastern Washington State. The present day Colville Reservation is

located in north-central Washington State and was established by Executive Order in 1872. At that time, the Colville Reservation consisted of all lands within the United States bounded by the Columbia and Okanogan Rivers, roughly three million acres. In 1891, the North Half of the 1872 Reservation was opened to the public domain. The North Half consists of approximately 1.5 million acres between the Canadian border and the northern boundary of the present day Reservation. The Colville tribal members exercise reserved hunting, fishing, and gathering rights on the North Half and the Colville Tribes maintains strong political and economic interests in this area.

Today, the Colville Tribes has nearly 9,400 enrolled members, making it one of the largest Indian tribes in the Northwest. About half of the Tribes' members live on or near the Colville Reservation. Between the tribal government and the Tribes' enterprise division, the Colville Tribes collectively accounts for more than 1,700 jobs—making it one of the largest employers in north central Washington.

### **Impact of the National Economic Downturn on the Colville Tribes**

The Colville Reservation contains more than 660,000 acres of harvestable timber. Although the Colville Tribes and its enterprise divisions operate a diverse range of businesses, timber and wood products has been and remains the Tribes' largest source of revenue for governmental programs and services. The Colville Tribes owns a traditional sawmill, Colville Indian Precision Pine ("CIPP"), and a plywood manufacturing facility, Colville Indian Power and Veneer ("CIPV"). CIPV is the only tribally owned and operated plywood plant in the U.S.

The health of the Colville Tribes' wood products industry is tied closely to the nation's housing market. The severe downturn in new housing construction has impacted the Colville Tribes particularly hard and has weakened demand for wood products generally, which has resulted in lower prices and decreased sales. The depressed market conditions forced the Colville Tribes to make the extremely difficult decision to suspend production and close CIPV in January 2009, and then CIPP in November 2009, until market conditions improve.

The closure of both mills has directly resulted in the loss of more than 350 jobs for an already economically depressed rural area, not including the loss of the secondary jobs that the facility supports, such as contract loggers and truck drivers. The shutdown has also put increased strain on the Tribes' social services programs and personnel. These tribal government programs, most of which are funded by the Tribes' stumpage revenue (in addition to third party grants), were already stretched thin with the inherently high unemployment rate on the Colville Reservation. Like state and local governments, the

current state of the national economy has presented the Colville Tribes' government with extremely difficult choices on how best to provide for its citizens.

Although the condition of the housing and wood products market is an issue national in scope, this Committee nonetheless has the authority to press initiatives that will help the Colville Tribes and similarly situated tribes get through these difficult times and plan for the future. Most notably, the Native American Employment Act of 2010 (S.3471), in addition to bolstering the Indian Guaranteed Loan Program, would also help the Colville Tribes by enabling it to reduce administrative costs in its delivery of social services and job training programs. Specifically, section 5 of that bill would update Public Law 102-477, commonly known as the "477" program, and the Colville Tribes has estimated that it would be able to save approximately \$500,000 annually if those provisions were to become law.

The Colville Tribes encourages the Committee not only to continue to seek passage of S.3471 this year, but also to continue to explore other initiatives in the next Congress that will increase the efficiency of tribes' delivery of social services to their citizens.

### **Trust Reform As Enhancing On-Reservation Economic Development**

As the Committee is aware, Northwest tribes have been leaders for the past several years in efforts to reform the manner in which the federal government administers tribal trust resources. The Affiliated Tribes of Northwest Indians ("ATNI") has established a trust reform workgroup of tribal leaders and technical staff to comment and provide recommendations on initiatives that affect the trust relationship, and the Colville Tribes has been an active participant in these efforts. The ability of Indian tribes to enter into leases, have fee land taken in trust, and to otherwise expedite federal approval of transactions involving trust property is a critical component of enhancing on-reservation economic development. These issues are important not only to large land-based Indian tribes like the Colville Tribes, but also for tribes with smaller land bases in western Washington and other more populous areas. In this regard, the Colville Tribes applauds the Committee's work on the HEARTH Act of 2010 (S. 3235), which would allow tribes on a voluntary basis to lease tribal trust land to third parties without the Bureau of Indian Affairs' approval.

Regardless of the outcome of the proposed settlement of the *Cobell v. Salazar* litigation, the Colville Tribes is hopeful that the Committee will explore broad scale forward-looking trust reform in preparation for the next Congress. With the enactment into law of the Tribal Law and Order Act and the Indian Health Care Improvement Act this year, it makes sense that trust reform should be the next big-ticket item on the Committee's agenda.

## **Energy Development and Natural Resource Management on Indian Lands**

Renewable energy development has been of particular interest to the Colville Tribes as the Tribes seeks new ways to utilize its land base to promote on-reservation economic development and to diversify its economy. Utilizing grants and technical assistance from both the Department of the Interior and the Department of Energy, the Colville Tribes is hoping to take advantage of the growth in the biofuels market. The Tribes is developing a cogeneration facility on the Colville Reservation that will utilize woody biomass from the Tribes' forestry activities, both on-reservation and on adjacent federal lands. In this regard, the Indian Energy Parity Act of 2010 contains several provisions that will greatly assist this and other projects that the Colville Tribes is pursuing.

Closely related to energy development is natural resource management, another issue of great interest to the Colville Tribes and other Northwest tribes. The Colville Tribes has been fortunate to have been able to work with the Department of the Interior in its implementation of "America's Great Outdoors," an Administration initiative focused on conservation and acquisition of federal land. The Department intends for this initiative to be a mechanism for tribes to reacquire fee land into trust and manage federal lands to which tribes have historical or cultural connections. One of the barriers to implementing this initiative, however, has been the inability of Indian tribes to access the Land and Water Conservation Fund, which would be used to fund these acquisitions. This initiative holds great potential to bolster tribal economies nationwide and the Colville Tribes urges the Committee to examine ways to assist the Department in implementing it as we look ahead to 2011.

The Colville Tribes appreciates the Committee convening this hearing and appreciates its consideration of these and other issues identified by Northwest tribes. We look forward to working with the Committee during the remainder of this year and in the 112th Congress.

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