



**TESTIMONY OF FAWN R. SHARP, PRESIDENT  
AFFILIATED TRIBES OF NORTHWEST INDIANS  
BEFORE THE SENATE COMMITTEE ON INDIAN AFFAIRS  
AT THE OVERSIGHT HEARING ON THE PRESIDENT'S FISCAL YEAR 2013 BUDGET  
FOR NATIVE PROGRAMS  
MARCH 8, 2012**

***Introduction***

I am honored to provide testimony on the President's 2013 Proposed Budget for Native Programs. My name is Fawn Sharp and I am here in my elected role as President of the Affiliated Tribes of Northwest Indians (ATNI). I also serve as President of the Quinalt Indian Nation. I am here to support some key items within the President's Budget that are of particular importance to member Tribes of ATNI. As an organization dedicated to preserving our sovereign rights secured under Indian Treaties, Executive Orders and benefits to which we are entitled under the laws and constitution of the United States, our testimony reflects some of the most urgent concerns within the area we represent. The United States and Tribal Governments are beginning a new chapter in the history of Tribal Sovereignty. Our Tribal Leaders before us affirmed and secured our sovereign rights when they negotiated our treaties, and we are now poised to set into motion the next phase of economic advancement and the continuance of our rights for future generations.

We do not want to see the current state of the economy undermine recent gains Tribes have made, and we call upon the United States government to protect all funding that upholds its treaty obligations to Indian country. Our urgent concern is that overall discretionary spending, the part of the budget that funds many of the trust and treaty obligations to Tribes, was capped by last year's Budget Control Act for FY 2013. The Budget Control Act also charged a Joint Committee on Deficit Reduction to come up with \$1.5 trillion in additional deficit reduction. However, the Committee failed and automatic sequestration was triggered (across-the-board-cuts), which is scheduled to go into effect January 1, 2013. The budget request, if enacted, would replace the \$1.2 trillion sequester with a set of spending cuts that makes cuts to low priority programs and increases resources for job creation and investment.

Many Tribal programs fall into the category of non-defense discretionary funding. In preparation for the President's budget, some agencies have consulted with Tribes about

programs in the budget. Some recommendations from Indian Country are included in the FY 2013 proposal, such as increases for contract support costs, natural resources and environmental protection programs, public safety initiatives, and contract health services. We assert that across-the-board cuts without Tribal consultation frequently results in unintended consequences that are detrimental to Tribal interests.

Trust obligations to Tribes and individual Indians pre-date the establishment of many Federal programs and are the basis for the present-day economic opportunities that are available to the United States and its citizens. The policies now being implemented within the federal system that are designed to manage the federal deficit, which was not caused by Tribes or Indian people, are further evidence that funds needed for the the fulfillment of trust obligations to Tribes should not be controlled by budget limitations in the same manner as applied to non-Indian programs.

Sustained funding for Tribal self-determination is critical to the economic foundation of Indian Country. Tribes look forward to contributing to the economic recovery, but to do so, Tribes must assume their rightful place as full partners in the American family of governments. Given the historic disparity in resources for Tribal governments compared to similarly situated governments, now is not the time to retreat from fulfilling the promises made to Tribes.<sup>1</sup>

## ***PROGRAM FUNDING LEVELS***

### ***Indian Housing***

The funding levels for the Indian housing programs within the Department of Housing and Urban Development are maintained at current level funding from enacted FY 2012 appropriations levels. The President's budget proposal established a spending level of \$44.8 billion in budget authority for the U.S. Department of Housing and Urban Development (HUD), a 3.2 percent increase above the FY 2012 funding level.

While there is an overall increase in funding for HUD, the Administration has proposed level funding for the Indian Housing Block Grant (IHBG) at \$650 million for FY 2013. Should the President's budget proposal be accepted, it would mark the third consecutive year that the federal budget for Tribal housing programs would be flat-lined. The budget proposal also includes \$60 million for the Indian Community Development Block Grant (ICDBG), the same level of funding that was appropriated in FY 2012, and zero funding for the widely acclaimed training and technical assistance (T/TA) program.

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<sup>1</sup> NCAI Analysis of the President's FY 2013 Budget Request

To keep pace with the increased cost of housing construction, energy costs, and other inflationary factors, the IHBG should be funded at \$875 million dollars in FY 2013; however, Indian Country understands the current constraints in the federal budget and strongly requests that the IHBG be funded at no less than \$700 million dollars. Further, we request that the ICDBG be set at \$100 million for the much-needed housing, infrastructure and economic development activities that the ICDBG provides, and that the T/TA funding be funded at no less than \$4.8 million.<sup>2</sup>

### **National American Indian Housing Council Training and Technical Assistance**

The National American Indian Housing Council (NAIHC) is the only Indian housing organization that provides comprehensive training and technical assistance (T/TA) on behalf of Tribal nations and their housing programs. The President's proposed budget eliminates entirely the much-needed, exceptional T/TA that has been provided by NAIHC. The provision of T/TA is critical for Tribes to build their capacity to effectively plan, implement, and manage Tribal housing programs. Eliminating funding for T/TA would be disastrous for Tribal housing authorities and would be a huge step in the wrong direction. Tribes need more assistance in building capacity, not less.

### **Unexpended Indian Housing Block Grant Funds**

While some Tribes are expending their Indian Housing Block Grant (IHBG) funds in a timely manner, because of delays caused by required environmental reports or construction issues, other Tribes are unable to spend the money within the Department of Housing and Urban Development's (HUD) required time frames. Other barriers that are causing a backlog of unexpended funds include the limitations associated with HUD's Line of Credit Control Systems (LOCCS), leasing delays, lack of physical infrastructure, the continued need for Tribal capacity-building, and others. Additionally, small Tribes need to have the leeway to put funds aside for 3-5 years prior to going into construction, and even then they can only build a few houses at a time.

The HUD Offices are currently pursuing corrective action against some Tribes for non-expended Indian Housing Block Grant funds but are not providing current information needed for Tribes to address and correct the issues. The amounts provided through a Freedom of Information Act (FOIA) requests are identical to levels from a year ago. We urge that the barriers to more

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<sup>2</sup> National American Indian Housing Council FY 13 Budget Request

efficient and effective management of Indian housing programs be addressed quickly through an expedited rulemaking session.

### **Border Issues**

The President's budget proposes to cut Public Safety and Justice Law Enforcement-Special Initiatives -\$2,550, eliminate the Southwest Borderlands Initiative \$1 million, reduce Intelligence Sharing -\$550,000, reduce Institute for Marine Remote Sensing (IMaRS) \$1 million, which includes funding to secure international borders that lie within Indian country.

Border Tribes are especially vulnerable to national security threats. These communities have multiple access points for drug smugglers to enter the United States, into Tribal homelands. Within Indian country, there are thousands of miles of waterways, remote logging roads, and major highways that are vulnerable to international drug trafficking.

The drug trafficking organizations (DTO's) know there are jurisdictional challenges between Tribes, states, and federal agencies and they exploit those challenges to introduce drugs into the United States. Reservations also provide drug smugglers with a shield because they know the only entity that has full jurisdiction over them are federal agencies that have limited resources in providing assistance to Tribal law enforcement agencies and federal prosecution.

Other barriers that impede effective border protection within Indian country include the vast and remote nature of Tribal lands, accessibility and mobility, illegal immigration, and citizens attempting to aid illegal aliens. All of this works to the benefit of the drug smugglers and to the detriment of Indian country and the United States.

Another common issue with all Tribes is the availability and historical collection of data. This is very important because data generates the statistics needed in order to track the information. Information regarding statistics and other data is limited in Native American communities for several reasons:

- There is lack of intertribal drug coalitions to serve as a national or regional clearinghouse for information, with this provision in place confidential storage and access agreements are also an issue;
- Jurisdictional information is limited between county, state and federal networks, therefore unduplicated counts are not easily assessed; and,
- Not all Tribes have the resources and capacity to perform drug and immigration interdiction operations.

In order to be productive and effective with enforcement techniques, an intelligence driven operation with standard collection, processing and exploitation, analysis and production, and dissemination of information, as well as planning and direction will be easier to implement. This is such a critical element, as it would then allow the government to provide funding where it counts.

### **Natural Resources**

Fiscal Year 2013 presents an important opportunity for the federal government to invest in sustainable futures for Tribes and for all Americans by contributing to Tribal natural resource management. Such an investment will foster Tribal economic self-sufficiency, cultural revitalization, and collaborative working relations across jurisdictions.

In particular, there must be an increase in funding for Bureau of Indian Affairs (BIA) natural resource programs. This funding has declined incrementally over decades more precipitously than other Department of the Interior (DOI) natural resource programs. And yet Tribes continue to be ineligible for dozens of natural resource programs across the federal agencies that are otherwise available to states, local governments, and other entities. BIA programs are often the only source of funding to protect Tribal lands. Yet, the funding inequities are profound: per acre funding for Forest Service lands is three times the per acre funding for Tribal forest lands; per acre funding for the DOI invasive species program is five times the per acre funding for the BIA's Invasive Species Program; and the BIA's percentage allocation of funding across the six DOI agencies under the Cooperative Landscape Conservation Initiative is a meager 0.12 percent.<sup>3</sup>

The BIA Rights Protection Implementation Program has a clear and direct relationship with the federal trust obligation to Tribes. This program supports the implementation of the Tribal rights secured by treaties and other legal obligations, enabling 49 Tribes in the Pacific Northwest to exercise their off-reservation hunting, fishing, and gathering rights. This funding is also essential for the protection of Tribal economic, subsistence, cultural, and medicinal practices, as well as the sustenance of healthy, productive Tribal nations and our surrounding states, local governments, and neighboring communities. We request increased funding to \$40 million for the BIA Rights Protection Implementation. However, individual accounts have been reduced by as much as 40% or raised as much as 67% without explanation or rationale. We ask that the Bureau of Indian Affairs return to the 2010 allocation formula and consult with Tribes prior to funding allocation changes.

Provide \$8.75 million in funding for the BIA Cooperative Landscape Conservation Initiative. Tribal peoples, lands, and infrastructure are disproportionately impacted by climate change.

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<sup>3</sup> Columbia River Inter-Tribal Fisheries Commission FY 13 Budget Request

Tribal governments experience unique challenges relative to other governments in their access to federal resources with which to plan and address those impacts. Disparities in funding and capacity complicate and extend existing Tribal needs in relation to climate change. This reality underscores the inequity in the FY 2012 DOI budget request for \$175 million to fund the Cooperative Landscape Conservation Initiative that included only \$200,000 for the BIA. Tribes request \$8.75 million of the Initiative's FY 2013 budget to remedy this disparity.

Provide \$17.146 million for BIA Western Washington Fisheries Management. The FY12 appropriations provided a total of \$8.257 million. This will provide new monies for shellfish, groundfish, enforcement, habitat, wildlife and other natural resource management needs.

Provide \$2.4 million in funding for BIA Salmon Marketing. The FY13 Budget contains \$1.068 million. This is the true need as determined by the Tribes at the request of Congress. Marketing costs are increasing as Tribal hatchery production continues to increase.

Provide \$5.452 million in funding for BIA Fish Hatchery Maintenance. This BIA program has been increased over the last few years to better reflect the Tribal need and the backlog of maintenance projects requested for Tribal hatcheries. This request is a \$614,000 increase over the President's request.<sup>4</sup>

### **NOAA Regional Ocean Partnership Grant**

Provide \$20 million to the NOAA Regional Ocean Partnership Grant. The Regional Ocean Partnership Grants Program is a new competitive grant program within the National Ocean Service that was proposed in the FY 2011 President's budget request to advance regional ocean partnerships. Tribes supported the NOAA request for FY 2012 of \$20 million for this grant program. Regional ocean governance mechanisms facilitate the effective management of ocean and coastal resources across jurisdictional boundaries by improving communications, aligning priorities, and enhancing resource sharing between state, local, Tribal, and federal agencies.

### **Provide \$110 million to the Pacific Coastal Salmon Recovery Fund**

The Pacific Coastal Salmon Recovery Fund (PCSRF) addresses watershed restoration and salmon recovery work for both Endangered Species Act listings and populations, and is critical to meeting trust obligations codified in treaties, laws, and other legal instruments regarding Indian fishing rights. This fund originated the groundbreaking multi-governmental collaborative project in salmon habitat restoration that was led by the Nisqually Tribe and recognized by President Obama with the nation's first and only Coastal America Partnership Award in late

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<sup>4</sup> Northwest Indian Fisheries Commission FY 13 Appropriations Briefings

2011. The President's FY 2012 budget included \$65 million for PCSRF, and \$80 million was appropriated in FY 2010. Tribes support an increase of \$45 million from the FY 2012 level as a wise investment in a program that creates a ripple effect including economic, ecological, social, cultural, legal, and intergovernmental co-benefits.

The FY12 appropriations provided a total of \$65.0 million. This is almost \$15.0 million less than the FY11 enacted level of \$79.84 million. In addition, the FY12 authorizing language now includes Alaska native subsistence fisheries, which will increase the number of recipients with decreased funding. The President's FY13 budget contains \$50.0 million. We request \$110.0 million for the PCSRF, an increase of \$60.0 million over the President's request which has decreased since 2002. We will continue to seek an equitable allocation to the member Tribes through the NOAA Fisheries administrative distribution process. These dollars are necessary to continue funding watershed restoration and salmon recovery work as well as fish hatchery reform efforts.

### **Environmental Protection Agency**

Provide \$50 million in funding for Environmental Protection Act (EPA) activities in Puget Sound. This is an increase of \$30 million in funding over the President's request. Through the EPA's distribution process, this will result in the needed increase to Tribes and Tribal consortia for Tribal capacity building and implementation projects.

Provide \$20 million in funding for EPA Multi-media Tribal Implementation Grants Program. This program, which is not funded in the President's FY 13 budget, will provide targeted grants to Tribes for implementation of federal environmental programs and is an opportunity to move our General Assistance Program (GAP) "Beyond GAP" initiative forward. It would move the EPA/Tribal partnership from capacity building to implementation of these important environmental programs.<sup>5</sup>

### **Small Business Administration Native 8(a) Program**

The President's FY 2013 budget decreases the funding for the Office of Native American Affairs (ONAA) for its outreach initiatives to \$0.85 million – a reduction from \$1.25 million in FY 2012. ONAA will continue outreach to Native American Tribes and Native American, Alaska Native and Native Hawaiian entrepreneurs to ensure access to key Small Business Administration (SBA) programs including entrepreneurial development, lending, and contracting. Specifically,

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<sup>5</sup> Northwest Indian Fisheries Commission FY 13 Appropriations Briefings

\$722,500 is planned for contractual services to fund the Native American entrepreneurial development initiative; the Native American veterans outreach series; and the Tribal Uniform Commercial Codes (UCC) development initiative, in conjunction with the Federal Reserve Bank of San Francisco. The ONAA also plans collaboration programs with Treasury, Tribal colleges and universities and small business development centers to encourage Tribal outreach initiatives.

It is important to highlight the importance of the Native 8(a) program in the context of budget priorities. Although the Native 8(a) program is not a line item in the President's budget request, it serves as a critical tool for Tribes, Alaska Native Corporations (ANC's) and Native Hawaiian Organizations (NHO's). The Native 8(a) program provides revenue for Native firms in the program, and the profits are used to partially fund Tribal budgets, provide benefits to our Tribal members, and to be reinvested back into our businesses. The 8(a) program is used to supplement, and in many cases substitute, federal underfunding for Tribal programs. In an era of tight federal budgets, this program is a win-win: Tribes are able to compete and receive needed revenue, and the federal government receives valuable goods and services. This program should be protected and continued to develop Native economies across the country.

### **Department of Transportation**

The Department of Transportation (DOT) President's budget request for FY 2013 envisions critical investments in infrastructure that are vital to the nation's economic success. Included in the budget is a new six-year \$476 billion surface transportation reauthorization proposal to improve the nation's transportation infrastructure. The President's budget also seeks to fully pay for the transportation investment through gas tax and other revenues and from the savings from the Overseas Contingency Operation reductions, a decrease of military operations.

Additional changes included in the DOT's FY 2013 budget is the consolidation of 55 surface transportation programs within the Federal Highway Administration to five core programs: (1) Highway Safety Improvement Program; (2) National Highway Program; (3) Livable Communities Program; (4) Federal Allocation Program; and (5) Research, Technology and Education Program. A major change has also been to rename the Indian Reservation Roads Program (IRR) and has been changed to the **Tribal Transportation Program (TTP)**, this will encompass the former IRR Bridge Program, planning, and a new safety program for TTP roads. The amount requested for FY 2013 for Tribal Transportation Program is \$600 million with gradual step increases for each fiscal year up to \$785 million for FY 2018. <sup>6</sup>

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<sup>6</sup> NCAI Analysis of the President's FY 2013 Budget Request



**Conclusion**

We acknowledge that the economic fiscal stability of the United States is influx and we are supportive and understanding of the need to tighten the spending belt. What we are not supportive of is not honoring the trust responsibility to the First Americans and the promises made in perpetuity to ensure the health, safety and education of our Native peoples.

Thank you for the opportunity to submit this budget testimony regarding the President's 2013 Proposed Budget on behalf of the Affiliated Tribes of Northwest Indians.