

**Statement of the Honorable Vicky Bailey  
Assistant Secretary for Policy and International Affairs  
Department of Energy  
Before the  
Committee on Indian Affairs  
United States Senate**

**March 19, 2003**

Thank you, Mr. Chairman and members of the committee. I am pleased to be here to discuss proposed legislation, S.424 and S.522, regarding Indian energy policy and to provide you information on the Department's current structure and ongoing program. These activities recognize Secretary Abraham's affirmation of the Department's commitment to meet its responsibilities to Indian country in a manner consistent with the government-to-government relationship that exists between federally recognized tribes and the Department.

**Introduction**

Before I begin my formal testimony, I would like to commend you, Mr. Chairman, and the entire committee on your leadership in addressing the challenging issues before us. We all know that the United States is better served when the federal government and Indian tribes work together to meet common objectives.

From an energy perspective, Native American reservations contain large reserves of oil and gas. There are an estimated 890 million barrels of oil and natural-gas liquids, and 5.6 trillion cubic feet of gas on tribal lands. This translates into huge potential revenues for the tribes even when conservative production estimates are used.

President Bush recognizes the importance of energy to America: in his second week in office, when the President established a group to draft a national energy policy, he said that he wanted to “promote dependable, affordable, and environmentally sound production and distribution of energy for the future.”

Indian energy resource development and energy policy in general are areas where the Department and Indian Tribes share many mutual interests and can together influence America's future in a constructive manner. As Secretary Abraham has stated, the Administration wants to work with Congress on provisions that facilitate energy development on tribal lands while enhancing and protecting the environment.

### **Challenges**

The Administration's commitment to a comprehensive and balanced national energy policy is in the best interest of all Americans, and that is why the President announced his National Energy Policy in May 2001, less than four months after he took office. We face many energy challenges that require attention now. Enacting an effective national energy policy during the 108<sup>th</sup> Congress is one of the President's top priorities, and we are pleased that both houses of Congress are moving forward. As you know, today, a key House subcommittee is marking up comprehensive energy legislation. The short- and long-term energy supply and demand issues before us, in addition to posing challenges, provide an opportunity for us to improve our environment and our economy while enhancing our energy future.

Americans share many common concerns regarding that energy future. Even shared concerns may not offer one-size-fits-all solutions. Some issues will require different approaches that recognize the unique dynamics at play due to any number of factors and circumstances. Certainly there are issues unique to Indian country, and we must have the tools to address them within our national energy policy framework.

### **Existing Departmental Structure**

I would like to provide an overview of the Department of Energy's structure in order to provide a reference point for the proposed legislation. In implementing Secretary Abraham's written direction to Department heads requesting that they honor the government-to-government relationship that exists between the federal government and federally recognized Indian tribes, tribal points of contact have been established. These 50 points of contact focus on relations with Native American Tribes and Alaska Natives.

In addition, within DOE's Office of Congressional and Intergovernmental affairs, a Director of Indian Affairs serves as the Department's primary point of contact on Native American issues. A recent vacancy in that position should be filled in the very near future, but the work of the Director continues to be performed through our Office of Intergovernmental and External Affairs.

## **Examples of DOE's Tribal Activity Within Selected Programs and at DOE Sites**

DOE and our power marketing administrations are committed to continuing our work with Tribal Governments on the many issues in which we have a common interest. At this time, I would like to provide some insight into how DOE's relationships with American Indians work at the program and at the site levels. These representative examples of program activities and projects are intended to highlight our continuing efforts to improve the energy future specifically for Native American Tribes.

### *Office of Economic Impact and Diversity (ED)*

- ED supports nine Native American/Tribal-owned financial institutions through the Bank Deposit Financial Assistance Program. These banks are located in a seven-state area: California, Kansas, Missouri, Montana, North Carolina, and Oklahoma, and hold a total of \$19.8 million in certificates of deposit to provide development loans to minority and women-owned business enterprises. The Native American National Bank is the first tribal-owned American owned bank to serve as a "Trustee" for the Department's Bank Deposit Financial Assistance Program, and manages \$3.7 million in for the Department of Energy.

- ED provides financial support for the National Center for American Indian Enterprise Development, which educates and brings together Indian individuals, business owners and corporations seeking business relationships with the Indian business community.

*Office of Energy Efficiency and Renewable Energy (EE)*

- EE is developing a Web-based tool to aid tribes in addressing their energy needs. The site is intended to provide information on the process of developing energy resources, case studies, and other information.
- EE has participated in numerous tribal conferences, developed a brochure, and developed a website as a means of promoting the program and renewable energy technology transfer.
- EE has completed installation of a 750 kW turbine on the Rosebud Sioux Indian Reservation (Rosebud, SD). The project successfully demonstrated the use of “green tags” to finance the installation and was the first tribe to obtain a USDA Rural Utility Service loan for commercial wind development.

*Western Area Power Administration (WAPA)*

- WAPA's 15-state service area includes more than 300 tribes, each with distinct histories, values, issues and priorities. Transmission line rights-of-way cross 900 miles of reservation and tribal lands - a total of approximately 10,500 acres. In view of the importance of WAPA's work with Native Americans, a full-time Native American Liaison (NAL) position has been established at the Corporate Services Office. The NAL will provide consultation guidance to all WAPA Regional offices and business functions to develop manage and coordinate Native American-related initiatives.
  
- WAPA is currently allocating power, entering sales contracts and negotiating delivery arrangements to ensure Native Americans receive the benefit of Federal power. WAPA modified its qualification requirements to make it possible for Indian tribes to become new customers. WAPA continues to extend power allocations to Native American beneficiaries as old contracts expire throughout its service territory. Western will continue its negotiations to put in place power contracts with 90 Indian Tribes and Pueblos in 11 states.

**Discussion of S.424 and S.522**

The Department is reviewing the provisions of S.424 and S.522. These two bills are comprehensive, and we support the goal of maximizing environmentally sound resource development on tribal lands. We will continue to study the specific provisions of the legislation and look forward to working with you toward achievement of our mutual objectives.

**Conclusion**

That concludes my prepared statement, Mr. Chairman. I hope that my testimony provides you and the other members of the committee with a good understanding of the importance this Administration attaches to our work with American Indian tribes and Alaska Natives in the context of the President's National Energy Policy. I would be pleased to respond to any questions you may have.