

ECONOMIC DEVELOPMENT

HEARING

BEFORE THE

COMMITTEE ON INDIAN AFFAIRS
UNITED STATES SENATE

ONE HUNDRED NINTH CONGRESS

SECOND SESSION

ON

OVERSIGHT HEARING ON ECONOMIC DEVELOPMENT IN INDIAN
COUNTRY

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ECONOMIC DEVELOPMENT

WEDNESDAY, MAY 10, 2006

U.S. SENATE,
COMMITTEE ON INDIAN AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 9:30 a.m. in room 485, Senate Russell Office Building, Hon. John McCain (chairman of the committee) presiding.

Present: Senators McCain, Dorgan, Johnson, and Thomas.

STATEMENT OF HON. JOHN MCCAIN, U.S. SENATOR FROM ARIZONA, CHAIRMAN, COMMITTEE ON INDIAN AFFAIRS

The CHAIRMAN. We will get started.

As several of today's witnesses point out in their written testimony, Indian gaming has the reputation of having made Indians rich. Members of this committee know that is not the case.

For many Indian people, poverty continues to be an intransigent problem, despite Government programs and tribal gaming facilities. Unemployment, for example, is a persistent presence on reservations and tribal economies are often unstable.

We also know that poverty has many components and there is no single or simple solution. If there were, we might have found it by now. Today, however, we turn to people who are working to identify and implement solutions. The witnesses each have experience in identifying what works to create healthy and diversified tribal economies. I look forward to their insights.

Senator Dorgan is on his way over and will be here shortly. In the meantime, Dr. Middleton, we will begin with you. Our first witness is Dr. Robert Middleton. He is the director of the Office of Indian Energy and Economic Development, Office of the Assistant Secretary for Indian Affairs at the Department of the Interior.

Welcome, Dr. Middleton.

STATEMENT OF ROBERT MIDDLETON, DIRECTOR OFFICE OF INDIAN ENERGY AND ECONOMIC DEVELOPMENT, OFFICE OF THE ASSISTANT SECRETARY FOR INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR

Mr. MIDDLETON. Good morning, Mr. Chairman and members of the committee. You have my written testimony, but I would like to open with a brief 5-minute statement and point out some of the highlights of my written testimony.

My name, as you mentioned, is Bob Middleton. I am director of the Office of Indian Energy and Economic Development. It is a new

office that was formed by the Secretary of the Interior to address some of the issues that you raised in your opening statement.

We also would like to talk a little bit about our workforce labor report. The Department of the Interior believes that the Indian workforce information is a critical indicator of an Indian community's well being or distress. Information on Indian employment is also a critical social and economic factor in the department's program, planning and execution and can be used as a proxy measure of socio-economic conditions in a given Indian community.

This really allows us to use it as a long-term social and economic services demand indicator on our programs. The biennial Indian labor force report is the only known comprehensive and certified accumulation of data on tribal enrollments, service population, workforce and employment, and it is used for a wide range of purposes by the equally wide range of users.

The labor force report is also used by tribes in showing governing stability, efficient governing institutions, effective community support systems and mechanisms, and solid community support, which demonstrates the community is a good place to locate businesses, put venture capital, and/or capitalize on untapped labor pools.

However, really no matter how one analyzes the data in the labor report, there is no dispute that reservation unemployment has been too high for too long. The 2000 census tells us that real per capita income of Indians is less than one-half the United States level and that Indian unemployment is more than twice the United States rate.

Chronic joblessness seems endemic to many parts of Indian country, resisting all antidotes, and it plagues one generation to the next. In many cases, the sheer remoteness or isolation of some reservation is an enormous hurdle that tribes must overcome to get capital flowing into their reservations, rather than out of their reservations.

Although the remoteness of many reservations from markets and services might provide a partial explanation, it does not explain why Indian joblessness lingers on despite good economic times in adjoining non-Indian communities. For example, according to census data, Buffalo County, SD is America's poorest county. About 2,000 people live there, yet just to the east of Buffalo County is Jerauld County, which is similar in size and population, but has a much higher income and much lower unemployment rate.

A recent article by John Miller in The Wall Street Journal noted the disparities between these neighboring counties and found the main difference between the is that the Crow Creek Indian Reservation occupies much of Buffalo County. As Miller notes, "the place is a pocket of poverty in a land of plenty."

I think like virtually all Americans, the Department of the Interior is saddened that any communities within the boundaries of the United States should not be able to share in this country's success and persist as pockets of poverty, and we are not willing to accept that they should remain so.

While success in improving the economy of Indian communities has been uneven, we believe we do have a clear understanding of how they became pockets of poverty and why reservation unemployment is different than unemployment elsewhere. One thing we

know for certain is that one size fits all does not work to address the unemployment and underemployment issues on reservations.

That is why the department is taking a focused approach to work with individual tribes to identify and nurture economic development opportunities that fit best with the tribe's resources, workforce, markets and culture. For the most part, tribal members have a hard time creating sustaining jobs because of a number of roadblocks.

In addition to the obstacle of remoteness, these include the ability to obtain collateral to obtain capital; access to financial services; technical know-how to access what capital is available; and the legal, corporate and judicial infrastructure necessary to assure participation by outside investors.

Historically, it has been tougher for Native Americans to obtain financing than perhaps any other group in the United States because they own no land in fee to offer as collateral for loans. Lenders are also reluctant to enter financing agreements because tribes are sovereign and lenders see limited venues to resolve disputes with tribes in court.

Because trust land cannot be used as collateral for a mortgage or loan, the lender has no ability to foreclose on them and then sell the land, which severely decreases the amount of capital that can flow into Indian country. Ready access to investment capital has enabled many generations of other Americans, including recent immigrants, to launch small businesses. As we know, small business employs one-half of all private sector employees.

But this has not been the case for Native Americans. According to the 2003 report by the Kauffman Center for Entrepreneurial Leadership, Native Americans owned and started the fewest small businesses of all minority groups in the United States. Without capital, there is limited enterprise, and without enterprise, there are few jobs.

Native Americans want to honor tribal traditions and culture, while achieving better lives for their families. They are willing to work hard to accomplish that goal, given the opportunity. The department recognizes these issues and has committed both budget dollars and personnel to address each of these roadblocks to economic progress in Indian country.

As I mentioned, I am director of the Office of Indian Energy and Economic Development. It was an office that was initiated about 1 year ago by the Secretary of the Interior by a secretarial order. We have pulled together four components that we believe are important to the economic development in Indian country. Under my office, we currently have the Office of Workforce Development, which you know as the 477 program. We have pulled in the Division of Economic Development, which we are using to identify business opportunities in Indian country. I currently have under me the Indian Guaranteed Loan Program, which allows us to provide capital to Indian businesses. I have the Energy and Minerals Division, which is located out in Denver, which provides technical assistance to Indian communities in developing their energy and mineral resources.

In summary, I would like to say the Department of the Interior does not consider the status quo to be acceptable. I am sure that

the distinguished panel that will follow me will talk about the needs in Indian country. We stand ready to work with other Federal agencies and the Indian community to address economic development for tribes. We believe we now have a team in place that will work with tribes and individual Indian entrepreneurs to aggressively pursue solutions.

I thank you again for the opportunity to testify today, and I would be happy to answer any questions the committee may have.

[Prepared statement of Dr. Middleton appears in appendix.]

The CHAIRMAN. Senator Dorgan, would you like to make an opening comment?

STATEMENT OF HON. BYRON L. DORGAN, U.S. SENATOR FROM NORTH DAKOTA, VICE CHAIRMAN, COMMITTEE ON INDIAN AFFAIRS

Senator DORGAN. Mr. Chairman, I will just put my statement in the record, and only say that this issue of economic development is critical because we have Americans among us who are living in third-world conditions with little opportunities for jobs and the progress that comes from having those jobs, with a stable income. I really appreciate the fact that we are holding this hearing. I will ask that my statement be part of the record.

The CHAIRMAN. Without objection.

Senator Johnson.

STATEMENT OF HON. TIM JOHNSON, U.S. SENATOR FROM SOUTH DAKOTA

Senator JOHNSON. Thank you, Mr. Chairman, for holding this hearing. I, too, will submit my opening statement for the record. I have some questions for the panel. But I would share Senator Dorgan's observations that I think one of the most critical issues we face in Indian country is the development of a much more robust private economic sector.

As was pointed out to me by one of the tribal chairmen in South Dakota, Chairman Bordeaux at Rosebud, he indicated to me that about 85 percent of the money that goes in wages on the Rosebud, about \$130 million, leaves the reservation. There simply is no, or very little, private sector economic activity going on.

Until more people have jobs and until there is a greater private sector presence, I think we will be forever behind the curve in terms of government programs. So I appreciate your holding this hearing.

I also want to welcome Elsie Meeks and J.C. Crawford from South Dakota.

Thank you.

The CHAIRMAN. Thank you very much.

Thank you, Dr. Middleton. I read your written statement, and I think it is an excellent statement.

The average unemployment rate for self-governance tribes is 35 percent, which is still terribly high, but it is much lower than the average of other tribes. How do you explain this significant differential between self-governance tribes' unemployment and non-self-governance tribes?

Mr. MIDDLETON. We think that a self-governance program is really of great value to the Indian tribes. It does help them take advantage of the opportunity to manage their resources, to manage the money that flows into the reservation, to identify job opportunities and economic opportunities on reservation.

We think that as more tribes start moving toward self-governance and start identifying what the shortfalls may be for developing job opportunities on reservation, or in fact develop a workforce that can work off-reservation, the better off the Indian community will be. We are standing willing to help any tribe willing to work toward the self-governance philosophy to do that.

The CHAIRMAN. It is my impression that movement toward self-governance has slowed down recently. Is that true?

Mr. MIDDLETON. That is also what I have heard, yes.

The CHAIRMAN. You might look into that because it seems pretty clear, like most of us who were strong supporters of self-governance, that there would be a variety of improvement associated with self-governance, including more job creation and lower unemployment. It is just the nature of the kind of government that allows people to basically govern themselves and make their own decisions, rather than have them made in Washington.

The report reflects that the Coushatta Tribe of Louisiana has an unemployment rate of 97 percent, yet this tribe has a casino that must create many jobs. Can you explain that?

Mr. MIDDLETON. I am sorry, Senator. I am not familiar with that particular case.

The CHAIRMAN. Do me a favor and get us a written response, will you?

Mr. MIDDLETON. We will do that.

The CHAIRMAN. Here is a casino tribe that obviously made a lot of money because they gave a lot to Mr. Abramoff. I would be curious why a tribe like that, with a functioning casino, a money-making casino, would have such high unemployment.

How do unemployment rates for tribes with casinos generally compare with those for tribes without casinos?

Mr. MIDDLETON. In the experience that I have had, typically the tribes with casinos do provide additional employment to the tribal members. I know this is particularly true with the Oneida Tribe in New York. As far as a broad-based statistical analysis, we would be glad to provide that to you after the hearing.

The CHAIRMAN. We would be interested in that, too.

I understand from your written statement that there is a different way to calculate unemployment on Indian reservations in Indian country, as opposed to non-Indian country. But some tribes have reported 100 percent unemployment. How is that possible? Some people are employed by the tribe.

Mr. MIDDLETON. The information and the data that is reported is certified by the tribes and then verified by our agency superintendents, as well as the regional offices of BIA. This is the only labor report that actually is certified by the tribes as being accurate.

Based on checks that we have been able to make, we believe that the numbers are accurate, but I will have to look at the 100 per-

cent number and see. It may be 99.8 percent and rounded up, but we will have to check on that.

The CHAIRMAN. You mentioned that one of the traditional ways that people or groups get financing is through putting up land for collateral. Obviously, you are not suggesting that Indian tribes do that.

Mr. MIDDLETON. No; we are not. We are just indicating that it is a reason why capital investment and collateral and lending is not available to the tribes readily.

The CHAIRMAN. So then they have to find other means of collateral. What would that be?

Mr. MIDDLETON. Well, that is one of the difficult roadblocks that we are trying to face. Absent gaming, though, we feel that in many cases energy and mineral development for tribes are probably the largest opportunity for tribes to be able to develop economically and economic opportunities on reservation. That is why we are taking and providing a focused effort on looking at what energy and mineral resources may be available to the tribes to develop, and we are helping to provide technical assistance to them to do that.

We also believe that the energy bill that was recently passed, title V, which allows tribal energy resource agreements to be developed, would be a very valuable and useful tool to help tribes develop economically and help develop their energy and mineral resources.

The CHAIRMAN. I always thought one of the most underutilized aspects of Indian reservations was tourism. Do you have any thoughts on that?

Mr. MIDDLETON. Yes; as a matter of fact, we are looking at a number of opportunities to help provide tribes some support to develop business plans for a tourism industry. We think that it could be a very valuable part of what tribes can do to in fact promote economic development on reservation. It obviously could not be a total panacea, but we think it could be a very valuable key portion of what tribes can do to foster business development.

The CHAIRMAN. Senator Dorgan.

Senator DORGAN. Dr. Middleton, tell me about your agency. You are the Director of the Office of Indian Energy and Economic Development. What are the resources that you have? How many people and how many dollars?

Mr. MIDDLETON. Actually, the office, we are just finalizing the changes in the departmental manual that will establish the boxes, if you will, that make up this office. We currently have approximately 35 people on board with an FTE limit of about 45 folks total.

I have 15 people, plus some contractors, working on energy and mineral development. I have plans to have seven or eight people in our Economic Development Division. We have four people working on our Guaranteed Loan Program, but in addition we have 10 regional loan officers, that although they do not report to me, we work closely with them in the regions. We have five people that are managing our 477 program, our Workforce Development Program.

Our resources that we currently have total approximately \$18 million cross all of the divisions. We have been fortunate that the administration is very supportive of the energy bill that was re-

cently passed and the budget that came up from the President contained an additional \$2 million to help us implement title V of the energy bill, with \$1.4 million available for grants that be given to tribes to help develop tribal energy resource agreements, and \$600,000 that will allow me to add three or four additional staff to help implement the program.

Senator DORGAN. So there are about 40 people and \$18 million?

Mr. MIDDLETON. Yes; roughly.

Senator DORGAN. Roughly. You also mentioned contractors. Are you spending money on contracts?

Mr. MIDDLETON. We do, but the contract support is mostly for our IT support out in our Mineral Development Office.

Senator DORGAN. Tell me, if you would, what are the high points or the achievements that you could point to? You told us in your statement what you are aspiring to do and so on. Are there some things that you can describe to us that result from this expenditure and from this attention?

Mr. MIDDLETON. I believe so. We actually have had the opportunity of establishing a number of new and what I think are innovative programs, trying to focus our efforts working with tribes, as well as other institutions. We, of course, are major sponsors of the Reservation 2006 Economic Development Conference that was held in February of this year. We think that it was a valuable opportunity for tribes to not only be able to provide information to each other on economic development opportunities, but also opportunities for non-tribal, non-Indian members to know what opportunities are available in Indian country.

We have also sponsored in White Earth a loan conference where we are trying to educate lenders on the opportunities for lending capital in Indian country. That was a great success, attended by about 150 people. We plan on expanding that effort and holding it in each of the region's that are available so that we can marry up the capital investment community with the needs that are identified in Indian country.

This week, we are holding a conference in Minnesota to talk about procurement, because we think there are great opportunities for tribes to participate in the Federal procurement process. We are working across government lines to be able to provide that access to tribal governments. We are partnering with SBA, as well as with DOD, to look at the opportunities for procurement.

In addition, as a result of an effort by the White House to identify economic development opportunities in Indian country, we have an executive leadership group made up of representatives from across the Federal Government working in Indian programs. I chair an effort, working with the Department of Labor, Department of Commerce, Department of Energy, USDA, Small Business Administration, as well as EPA and a number of other agencies, to see if there are ways that we can in fact use the various programs we currently have working in Indian country, and leverage those resources and work cooperatively to have a better effect that we are having individually.

Senator DORGAN. Mr. Middleton, I think that the conferences you suggest make a lot of sense. It seems to me you have to provide information. I am going to ask the next panel as well what impact

does your organization have on their lives; what kinds of assistance are you providing. It is a fair amount of money, \$18 million and 30 or 40 employees. I obviously want you to succeed and I appreciate your being here today, giving us a status report.

The CHAIRMAN. Senator Thomas.

Senator THOMAS. Thank you, Mr. Chairman.

Sorry I missed the first part. I am very much interested, however, in this issue, and particularly the energy and minerals aspect of it. You mentioned in your statement that the potential there is to produce over 5 billion barrels of oil. What progress has been made? What is the main obstacle to moving forward?

Mr. MIDDLETON. I think we have actually made some very significant progress with our energy and minerals program. Part of the \$18 million that we have available actually goes out as technical assistance grants to tribes to help identify and evaluate the resources that they have available.

Just this year, we made approximately \$4.1 million available to over 40 tribes to help develop their opportunities in energy and mineral development. I will be honest with you, though. I think that we do have some hurdles to overcome. Even though we are looking at hydrocarbon and renewable energy development, sometimes the remoteness of the communities does make it difficult.

We believe that it is important that we move a number of the tribes, or allow a number of tribes to have the opportunity to move from simply being landlords over their energy and mineral resources, to partnerships, helping to develop their energy and mineral resources so that there is value added, because that added value also brings additional income into the tribe itself.

We also think, as I mentioned, that the tribal energy resource agreements that are authorized under title V of the energy bill are going to be a significant opportunity for tribes to move to one of being a partner or being actually a developer of their energy and mineral resources.

Part of the issue really is that many tribes have come to us and they would like to do things like set up ethanol plants using biomass they have available. They would like to put in place refineries. They would like to have an opportunity of developing their wind. All of this is very highly capital-intensive. What we are trying to do is find ways to marry together the capital investment market with the needs that are demonstrated out in Indian country.

Senator THOMAS. How about those potentials for energy production that someone else is willing to do? It doesn't take capital. It provides jobs. It provides revenue. All you have to do is make the leases and go.

Mr. MIDDLETON. Exactly. My folks, the division out in Denver works extensively with tribes to provide them technical support. Typically right now it is under the Indian Minerals Development Act and the Indian Minerals Development Act agreements. We are working with tribes, those tribes that choose to develop their resources, to find adequate partners so that we can work closely on developing those agreements.

Senator THOMAS. You say "who choose to." Is that the problem?

Mr. MIDDLETON. I am sorry. I missed that.

Senator THOMAS. You said "who choose to."

Mr. MIDDLETON. Yes.

Senator THOMAS. So some of the tribes are not wanting to develop it? Is that it?

Mr. MIDDLETON. We found that many of the tribes are wanting to develop, but some tribes actually feel that development of their mineral resources may be happening a little too fast and they want to make sure that it fits well within their culture and their beliefs. We respect that.

As Senator Dorgan pointed out, we do have some limited resources and we are trying to use those resources toward those areas where we feel we have a better idea of success. So we are trying to target those resources in helping the tribes that have come to us and asked for help.

Senator THOMAS. Thank you.

The CHAIRMAN. Senator Johnson.

Senator JOHNSON. Thank you.

I took with interest your reference to Buffalo County, SD as the poorest county in America, home to the Crow Creek Indian Reservation in South Dakota. Several of the other most impoverished counties in America are also South Dakota Indian counties.

I would note that the school dormitory at Crow Creek burned town earlier this year, last year. And the rest of their school is a temporary replacement as well. It is a school where they have been maintaining annual yearly progress. It has been a successful school, but at the rate we are going with school replacement, it is going to be literally years and years before these children in America's poorest county have an actual school building to go to school at. I know this is outside your bailiwick directly, but I have to note that as you bring up the question of Crow Creek.

Also in my meetings with Native business leaders, and there are more of them, and we do now have a Chamber of Commerce and some other infrastructure in place, which I am grateful for, but one of their observations is one of the greatest hurdles, and there are many, but one of the greatest hurdles to Indian entrepreneurship in Indian country is the BIA itself and its leasing mechanisms, which have been a huge obstruction for Native leaders who would like to begin a business. It takes years to negotiate a lease with the BIA which is set up to deal with grazing leases, but is uncooperative and unhelpful in terms of small business development in Indian country.

They wind up with short-term leases and once they get one, then they have to come up with the capital to build a building, and then they run into the collateralization issues that you raised, which cause still further problems. So I think in too many cases, the BIA has been part of the problem instead of part of the solution when it comes to the development of entrepreneurship and Indian owned businesses in Indian country.

That also, of course, affects home ownership. Home ownership has been one of the great mechanisms for the development of the middle class, of all Americans, and yet because we have not come up with an entirely adequate collateralization process, we wind up with people who simply are mired in a low income status and are

not in a position to generate the wealth that ordinarily could come with the ownership of a business or housing.

Two questions I want to raise with you. The SBA, CDFI, and USDA rural development funds have all been under tremendous financial pressure in recent years. I wonder if you would share any thoughts with us about the importance of those programs as funds that generate not only capitalization, but business training skills and business planning skills. Are they important programs in the overall scheme of things, as far as you are concerned?

Mr. MIDDLETON. I believe they are. Actually, we have been working closely with all of those programs to find ways that we can take advantage of the resources that we are currently using out in Indian country. I think their success really speaks for itself. I think they have been valuable programs.

Senator JOHNSON. Well, they are very small programs, but they are ones that have been under tremendous financial stress. So I would hope that we could work together with the White House in bipartisan fashion, that while we are under a lot of financial downward pressure these days, that we do hold onto programs that do truly involve investment.

The last question for you, is on the energy side of what you do. You made a brief mention of this, but my tribes in South Dakota tend not to have a lot of natural resources, other than agricultural land that they have. But they do have in many instances the potential for significant wind energy development. There has been some modest progress in that area, but very modest.

Can you share with us any thoughts about what your office could do to enhance the wind energy capabilities of some of these tribes? They are very remote, as you say. Their infrastructure is not adequate, but there is some income generating opportunity from the full development of those resources.

Mr. MIDDLETON. Yes; it has been an issue. We have been working very closely with the Intertribal Council on Utility Policy, which of course is a strong wind advocate. We also did provide funding for the single turbine that was put up in Rosebud. We are working diligently to try and develop our renewable energy resources. In this last year, we put forward about \$1.5 million in grants, a significant number of which were wind development grants to try and address the feasibility of wind development in Indian country.

As I am certain you are aware, many of the tribes have access to much wind, but they do not have access to the grid. It has been an issue getting the interconnect so that the economics of putting up an wind plant or a wind farm to kick in has been difficult because you really don't get the economics to come in and be able to get the lenders to put capital into this until you are able to sell off your excess and use the green credits and use other activities that allow you to do different things when you have access to put the electricity on the grid.

I know that there are some provisions in the energy bill that are taking a look at this, but we are also looking at it, and we have been working with the Department of Energy to see if we can find some solutions to this. Having access to the grid is what really is going to be important for some of the Northern Plains tribes.

Senator JOHNSON. Thank you. We do have some of the tribes that are located actually quite close to the existing Pick Sloan hydro dam system in South Dakota. It is my hope that at the very least that we could somehow find some interconnections there, because I do agree with you that transmission issues are difficult issues, but there are some instances where it would seem to me that we could make better use of existing transmission capabilities than we do.

Thank you.

Mr. MIDDLETON. Thank you.

The CHAIRMAN. Thank you very much, Dr. Middleton. You will get us some written answers to some of the question we have?

Mr. MIDDLETON. We will. Thank you so much.

The CHAIRMAN. Thank you very much, Dr. Middleton.

Our next panel is Joe Garcia. He is the president of the National Congress of American Indians; Tex Hall is the chairman of the Board of Directors of the Inter-Tribal Economic Alliance; Lance Morgan is chief executive officer of Ho-Chunk, Winnebago, NE; Elsie Meeks is executive director of First Nations Oweesta Corporation; and Miriam Jorgensen is research director of the Harvard Project on American Indian Economic Development of Cambridge, MA.

Welcome. Joe Garcia, we will begin with you. Welcome back before the committee.

**STATEMENT OF JOE A. GARCIA, PRESIDENT, NATIONAL
CONGRESS OF AMERICAN INDIANS**

Mr. GARCIA. Good morning, everyone. Good morning, Chairman McCain, Vice Chairman Dorgan, and Senators, members of the committee. My name is Joe Garcia. I am Governor of Ohkay Owingeh and president of the National Congress of American Indians.

I am happy to be here today to discuss how the Federal Government and the tribes can best support our efforts to achieve self-reliance and support of our communities through economic development.

It bears repeating that real per capita income of Indians living on reservations is still less than one-half of the national average. The poorest counties in the United States are on tribal lands. Frequently identified barriers to economic development include a lack of access to capital; insufficient infrastructure; remote locations; complicated legal and regulatory status; and insufficient access to training and technical assistance, among others.

Compounding the problem, tribal governments have a severely restricted tax base that makes it difficult to build infrastructure and fund basic governmental services. In addition, tribes are hamstrung in their ability to access other traditional governmental revenue streams such as tax-exempt bond financing. As a result, we rely upon Federal funding and what we can develop from tribal businesses to run our governments and to provide necessary services.

Meaningful economic development is sorely needed. Recent studies indicate that the tribes are making progress, and that tribal self-determination is working. Tribal enterprises across a variety of

industries are growing and thriving. Tribes, despite the barriers, are becoming more sophisticated in assessing the assets available to them for economic development and making the most of those assets.

Tribes have also made strides in attracting outside investors into tribal communities and encouraging business development among tribal members. Native entrepreneurship is on the rise and, as respected researchers at Harvard University have found, this progress is due to increased respect for self-determination.

I would like to spend a few more minutes this morning focusing on a few opportunities for action that are currently before this Congress. First is streamlined sales tax. I mentioned earlier that tribes have a limited tax base. However, some tribes have begun to turn to sales taxes as a key source of revenue to build infrastructure, and infrastructure, simply defined, is not just the physical infrastructure or fiscal, but the human resources is consider as infrastructure.

For example, the Navajo Nation imposes a reservation-wide sales tax and collects over \$14 million annually to provide government services. Other tribes like the Reno-Sparks Indian Colony are able to use their sales tax revenue to back tax exempt bonds. Reno-Sparks recently built a hospital with tax exempt bonds backed by its sales tax revenue.

Senator Dorgan, you are one of the primary sponsors of the streamline sales tax legislation, which will give Federal authority to the States to collect taxes on remote sales. We would very much like you to consider including tribal governments in the legislation. Just like North Dakota or Puerto Rico, a tribal government collects sales tax and they need the ability to participate so that they can collect taxes on remote sites and be a part of the new sales tax collection system.

With a more stable tax base, we can provide the infrastructure that will make economic development happen and more successful in Indian country.

Tax exempt bond financing. Another obstacle preventing tribes from accessing capital is the limitations on tribal tax exempt bond financing. Under current law, tribes may issue tax exempt government bonds only for facilities used in the exercise of a "essential governmental function," a restriction that does not apply to State or local governments.

The Audit Division fo the IRS has adopted an extremely restrictive view of an essential government function. In their view, if it earns revenue, it can't be an essential government function. But of course, it is hard to repay a bond if there is no revenue. The IRS Audit Division has put a chill on most tribal participation in the tax exempt bond market and prevented the use of what could be a valuable economic tool for tribes.

This past fall, your colleagues in the House urged the IRS to move forward with a regulation to clarify this issue. Moreover, the IRS's own Advisory Committee on Tax Exempt and Government Entities acknowledged problems with enforcement in tribal tax exempt bonds. The tribes cannot even challenge the IRS in court because as the bond issuers, we are not the taxpayer.

Legislation is needed that would allow tribes to issue tax exempt bonds or other financing obligations in a manner similar to States and municipalities. At the very least, we would like Congress to give us the standing to challenge the IRS mistakes. We urge you to join with the Senate Finance Committee in reviewing this matter.

8(a) Contracting. Several recent studies have identified the 8(a) minority contracting program as one of the most valuable programs for tribal economic development. The tribes participating in the program confirm this. The Federal Government buys over \$200 billion in goods and services annually and the 8(a) and HUBZone programs provide incentives for Federal agencies to contract with tribally-owned businesses for the procurement of these goods and services.

The positive impact of this program, particularly for tribes who have been unable to jump-start their economies through gaming, cannot be overstated. Revenue generated by tribally owned 8(a) companies allow the tribe to provide benefits and services to the community as a whole.

Committees on both the House and Senate sides have indicated that they will be holding hearings to examine Native participation in the 8(a) program in the upcoming months. I think there is a great deal of confusion about the differences between tribal participation in the program and participation of other individual minority business owners.

The CHAIRMAN. Mr. Garcia, I am going to have to ask you to summarize, since we are over time.

Mr. GARCIA. Okay. The other thing that I would simply like to reflect on a little bit, and it is provided in my testimony, is that there are opportunities for government-to-government relations in such items as telecom. It is a major effort. On trust reform, we need to be sure that that gets done because as we are tied up in trying to provide some solution to that, efforts in the economic development, education and other areas, that the Federal Government is to help with Indian country, is stalemated. So I would appreciate it if we could move forward those kinds of agenda.

I appreciate the opportunity. Thank you.

[Prepared statement of Mr. Garcia appears in appendix.]

The CHAIRMAN. Thank you very much, President Garcia. Yours and all the witnesses' complete statements will be made part of the record.

Tex Hall, welcome back.

STATEMENT OF TEX HALL, CHAIRMAN OF THE BOARD OF DIRECTORS, INTER-TRIBAL ECONOMIC ALLIANCE

Mr. HALL. Thank you, Mr. Chairman, and members of the committee, Senator Dorgan, Senator Johnson.

I have a different hat on today. It is the hat of the Inter-Tribal Economic Alliance. I am very excited to report about this wonderful organization which we established in 2001, whose sole mission is to develop economic development on reservations.

So entrepreneurship, creating businesses and job on or near reservations, Alaska Native land, and Native Hawaiian communities, is critical to us. I was really appreciative of Bob Middleton's report

on the BIA labor force, the current labor force in my neck of the woods and the Great Plains still with 70 percent unemployment. So I want to talk a little bit about how we are going about doing and putting a dent in some of that.

I first want to talk about one of the initiatives that ITEA has done. It is focused on the SBA 8(a) program, so that is very critical to us. We formed a multi-tribal IT consortium so its gets the contract as an IT consortium and it subcontracts. We now have 12 Native businesses that include the Turtle Mountain Reservation, Cheyenne River Reservation, Three Affiliated Tribes. I see the chairman for the Shoshone Tribe, Ivan Posey is here from Wyoming, Wind River. They are in there. The Tlingit-Haida from Alaska, and Hawaii and so on and so forth. So those are 12, and we really appreciate the initial efforts of Senator Inouye and Senator Stevens. This is on digitization of defense contracts.

So in working with the defense and the Defense Committee, we are initially get \$34 million to digitize. One of the key things is we have a teaming relationship with these tribes with DCL, Data Conversion Laboratories out of New York City. So with that expertise that they have, combined with the 8(a) program that ITEA has done with its IT consortium, we were able to solicit that initial \$34 million and now \$80 million in contracts that are critical to creating 350 jobs on our reservations.

So that is key in how that actually works, and how to use that 8(a) program, and use a teaming agreement with experts like DCL to create the expertise and job opportunities on our reservation.

So that is very critical to us. We want to continue in other businesses because we showed success in the IT. We want to go to energy, the Multi-Tribal Energy Consortium, that ITEA is going to build another for-profit leg that will sit next to the ITEA and we want to focus on oil and gas, wind, solar. And so we want to move to natural beef, buffalo, natural food products.

And we want to also move into a construction consortium, and finally a MTEF, a multi-tribal enterprise fund, where we would like to work with the gaming tribes, those that have success in the gaming tribes that are near large markets, to contribute to this venture capital fund that we can fund these many projects that we currently have problems in collateralization, as Mr. Chairman you mentioned, and members of the committee had mentioned earlier. We want to be able to create this fund with gaming tribes' help, and those tribes that don't have successful gaming.

So we really want to show that it works. I think, Chairman McCain, you were actually at one of our companies up in Barrow, UIC, and visited one of our ITEA companies, so you have probably seen Native people up in Barrow actually working and doing this digitization for the Department of Defense.

And so our whole initiative at ITEA is to create 200,000 jobs. We have a ways to go, but we created 350. As we look to develop these economies, if you drop back to energy, for example, there are some obstacles. In my tribe, we are trying to build a refinery, and again I was appreciate. Bob Middleton has been very supportive of our refinery project, but we had some additional work in our EIS that EPA was willing to give moneys, but they don't have 93-638 contracting capabilities.

They can't provide money directly, so it has to get transferred to BIA. But BIA said, well, we can't do that because the work has already been done in terms of the contract with our water quality studies, so the moneys we want to get, \$112,000, was to be put back to the EPA. So there are obviously some problems in 93-638 that EPA doesn't have and they are trying to give money, but it is going to get put back because the work has been already done. So there are some problems within the 93-638 in terms of other agencies being able to use this.

So in closing, what we are really trying to say as ITEA is we would like to ask the committee to be our partner. We need the Senate Committee on Indian Affairs to be a partner with this national effort that we at the Inter-Tribal Economic Alliance are trying to do with creation of our for-profit businesses.

We have developed or are developing a multi-tribal air ambulance company. This will be the first of its kind. We rolled it out in Sioux Falls 2 weeks ago. Rosebud and Pine Ridge were the first two tribes to sign on. Again the success of ours is a teaming agreement, and so we have a company out of Minneapolis that has eight airplanes to provide air rescue within that golden hour, but they would have to renovate our airports on the reservations in order to have the air ambulance come in and go to a trauma, at least a level II trauma center, which in my case would be Bismarck, ND, and would be 39 minutes by air. By car, it would be just under 3 hours. We would lose that golden hour.

So that is another for-profit company we are working on. And of course the third party billing to pay for that would be Medicaid and Medicare.

So we are very appreciative of this time to testify. But again, we are looking to have the Senate Committee on Indian Affairs partner as we look to create this 200,000 jobs initiative.

Thank you, Mr. Chairman.

[Prepared statement of Mr. Hall appears in appendix.]

The CHAIRMAN. Thank you very much, and welcome back.

Mr. Morgan, welcome.

**STATEMENT OF LANCE MORGAN, CHIEF EXECUTIVE OFFICER,
HO-CHUNK, INC.**

Mr. MORGAN. Thank you. I appreciate the opportunity to testify.

I am the CEO of a company called Ho-Chunk, Inc., which is owned by the Winnebago Tribe of Nebraska. In 1994, the tribe had a modest casino operation, and they decided that they would want to diversify their economy, and that is the company that I have run for the last 11 years. I was the first employee. We now have 525 employees. The first year we started, we had revenues of \$400,000. This year, we will have revenues close to \$150 million, all completely non-gaming.

We are a tribe with basically 4,000 members and primarily centered on a town with 1,500 people. So we have been able to have a broad impact. We now have more jobs than working age tribal members in our community, so it is something that we are very proud of.

When I think about this, though, we really are an exception in a lot of ways because of the difficult environment that we have to

function in. I am not going to belabor it because several panelists have talked about the trust land system, but it doesn't allow us to have property taxes, so no taxes and bonds, no home ownership, no inter-generational wealth transfer, no collateralizing on loans, those kinds of things.

So it pretty much is the most difficult environment possible to do development in the United States. The Federal Government has been pretty aggressive in developing programs that are designed to implement or designed to emulate the American economic system off the reservation, but they are usually limited in scope and don't have enough impact.

So tribes are told to go into business. If you don't have a tax base, you can't develop your own economy. The Federal Government encourages us to go into business and use those profits in lieu of the taxes to develop the economy. The tribes with no collateral, no experience, no wealth, no capital, and going into business usually don't mix.

What we have done over the years is exploit tribal jurisdiction. If you think about it, there is a bit of a stereotype of the types of business tribes function in: Gas, tobacco, and now gaming. Those are not tribal businesses per se. Those are businesses that we can get into that allow us to exploit our jurisdiction and create an advantage. The problem with those types of businesses is that they are controversial. They tend to interfere with State rights or they tend to upset the playing field for non-Indian economic interests that are already entrenched.

So we do not believe that those are the future. Now, Ho-Chunk, Inc., is a company that has been in those businesses, since we have exploited them, and we have made the decision that we want to focus on other things. In the last 5 years, we have purchased a home manufacturing company. We started a construction company. We started an office supply company, a marketing company. But all of those are nice companies, but the thing that had the most potential for us to grow beyond attracting gamblers and smokers to our reservation, was Government contracting.

We started a government contracting company, and for 4 years we lost money on it trying to figure out how to do it. I think there are some shortcuts probably we could have thought of, but we like to do it the hard way. We have built up a company that now has operations in three different countries doing vital things for the Federal Government, things that we can take pride in.

What is interesting about this is that we have just figured out how to do this. It is a key way for us to develop our economy and diversify it away from these kinds of controversial businesses. Now, we are suffering some kind of attacks on it. I think it is completely unreasonable that that is happening.

The Federal Government set up this system. They told us to go into business. They set up some incentive programs. We invested hundreds of thousands of dollars to get into it. And now we are just starting to be successful in those areas, and it is really elevating our level of sophistication across the board. And now we have to look over our shoulder, and I think it is completely unfair.

I would ask you as our leaders to figure out a way to help us in this regard. This system, this trust land economic system is not

a system that we created or designed. We are desperately trying to figure out ways to function within it. And things like the 8(a) program are very important.

I thank you for your time.

[Prepared statement of Mr. Morgan appears in appendix.]

The CHAIRMAN. Thank you very much.

Ms. Meeks, welcome.

STATEMENT OF ELSIE MEEKS, EXECUTIVE DIRECTOR, FIRST NATIONS OWEESTA CORPORATION

Ms. MEEKS. Thank you, Chairman McCain and Vice Chairman Dorgan. Although I can't see Senator Johnson, I know he is there. [Laughter.]

Thank you for the opportunity to appear here on behalf of First Nations Oweesta Corporation and the Native Financial Education Coalition. My name is Elsie Meeks. In addition to my role as the executive director of Oweesta and chair of the Native Financial Education Coalition, I am appearing before you as someone who has, although I didn't know I was going to dedicate my life to, I have, to the importance of private enterprise development on reservation communities.

I have come to believe that unless tribal members are given the tools and opportunities to build assets we will never become self-sufficient and independent. Home ownership and small business development can stand on their own as important initiatives, but at the end of the day unless we start to build assets individually, we are never going to become independent.

So my journey began more than 20 years ago, as I said, when we launched the Lakota Fund on the Pine Ridge Indian Reservation, with the mission of creating a private sector economy through financing and capacity building for entrepreneur development. Now, a couple of years after we started lending, we did a little study that showed that 85 percent of our borrowers have never had a checking or a savings account and 75 percent have never had a loan, or it was the other way around, and only 5 percent of them had ever been in business before.

So we were tackling a really big job. My testimony is also informed by my role as the chair of the Native Financial Education Coalition that Oweesta has worked to spearhead. This coalition is a testament to our conviction that financial education is at the very foundation of effective economic development in all communities, and especially Native communities.

And also, you know, it is a truism of economic development theory that credible institutions are essential to successful development, yet most Native communities lack nonprofit institutions that are taken for granted in most other communities, and many lack a developed private sector economy. Dr. Middleton also referred to the Treasury study that showed the lack of financial institutions on Indian reservations.

So to address this need, Oweesta's main goal is to help Native communities create Native community development financial institutions. These are community based organizations that really work on the ground and they bring the need for accessible and affordable

loans and other financial products, and they are always tied to intensive training and technical assistance for its borrowers.

CDFI has been around for years, but when Congress created the CDFI Fund under the Department of Treasury, there were very few established Native CDFIs. Today as a direct result of the CDFI Fund, there are over 80 Native financial institutions in various stages of development and certification, including 36 of them, Native CDFIs, are now certified under the CDFI Fund.

In my written testimony, what we see as integrated asset building strategies, which start with, there is a graphic in your written, starts with the need for building these institutions, Native community development financial institutions, organizations like Ho-Chunk, Inc. and other non-governmental organizations, that then provide tools such as financial education, entrepreneurial development, homebuyer education, and then the outcomes of that are home ownership, entrepreneur development and human capital, which in the end then results in healthy economies and strong communities.

And so it is really this holistic approach. Just to give you some really fast, and I am probably running out of time, but in South Dakota we have done a pretty good job of the tribes there developing CDFIs. This is all foundational work, so it is going to take some time to get to where we need to be. Even at Pine Ridge, which is probably one of the most difficult places to work, we have already seen an increase in per capita income, a decrease in unemployment. This has all come about from these small businesses.

The mention of this high unemployment rate, you know, it has been historical at Pine Ridge. We have had high unemployment for many, many years, so people a lot of times don't even, you know, the workforce isn't developed. And bringing in these big companies that employ a lot of people, sometimes it has been very difficult. But through each small business, they have hired 5, then 10, then 15 and 20 employees, and have really started to build this workforce in a very slow, but I think quality way.

Arizona has 11 Native financial institutions. The Navajo Partnership for Housing, for one, has just initiated a Navajo nationwide financial literacy campaign, and offered homebuyer education to over 2,000 community members. There is a lot of activity with the tribes in Arizona. In North Dakota, Three Affiliated Tribes is just now developing one. Turtle Mountain has been in the process.

In Wyoming, the Wind River Reservation has developed the Wind River Development Fund which has been a very strong CDFI, and I think has really helped the tribe in helping to create a UCC code. So they are all very foundational and they are about system building.

One of the quick recommendations I would like to see is I would like to see CDFIs, a lot of them are already lending, of course, and as they develop and become a more important institution in their communities, be able to utilize the BIA guaranteed loans. That is not possible at this point, and also the SBA guaranteed loans.

I would also like to echo Senator Johnson's remarks about improving the title status reports and the ability to use land as collateral. It is an incredible mess at this point. I don't understand why it is something we can't fix.

So I will conclude my remarks, but again, thank you so much and I have longer written testimony. So thank you.

[Prepared statement of Ms. Meeks appears in appendix.]

The CHAIRMAN. Thank you very much.

Ms. Jorgenson.

**STATEMENT OF MIRIAM JORGENSEN, RESEARCH DIRECTOR,
THE HARVARD PROJECT ON AMERICAN INDIAN ECONOMIC
DEVELOPMENT**

Ms. JORGENSEN. Chairman McCain, Vice Chairman Dorgan and distinguished members of the committee, which I guess at this point is Senator Johnson. I also want to give a special greeting to you, because while you would not know it from my institutional affiliations, I was also born and raised in Vermillion, SD, which affects a lot of the perspectives and viewpoints that you will hear today.

My name is Miriam Jorgensen. I am research director of the Harvard Project on American Indian Economic Development. I also hold a parallel position at the University of Arizona at the Native Nations Institute for Leadership, Management and Policy, which is part of the Udall Center for Studies in Public Policy. It is really a joint research enterprise that we undertake.

For nearly 20 years, the Harvard Project and the Native Nations Institute have been focused on a central research question: How, amidst the widespread poverty and social distress that characterize Indian country, are an increasing number of Native nations breaking old patterns and building societies that work? What explains the stark differences that we see in Indian country?

I really do mean "stark differences." For a long time, before we had very good data about what was going on in Indian country with regard to gaming, we used to present information of the pre-gaming era, and say, look, there are a number of Native nations that are really pulling away from the pack and demonstrating economic and social success.

Now, when we have a lot of data about the 1990's and the rise of gaming in Indian country, we still see remarkable diversity. There are gaming and non-gaming tribes at the top of the distribution, where per capita incomes for Native reservation residents in 2000 were double their inflation adjusted per capita levels in 1990, and we have gaming and non-gaming tribes at the bottom of the revenue distribution or growth distribution, where per capita incomes in 2000 for Native reservation residents were barely holding pace with inflation adjusted 1990 levels.

I think these data reinforce the fundamental question that our research has been addressing: Where it is occurring, how and why did economic development occur?

In answer, our research points to the important roles of institutions, culture and sovereignty. Now, I think many of you are familiar with a lot of that research, and I don't want to rehash it. It is presented in my written comments. Today, I want to focus just on one element of that. And indeed, I think you have heard a lot of policy recommendations that underscore this idea, and it came up in your opening remarks as well, Senator McCain.

I want to talk about this notion of sovereignty and self-determination as a broad policy and make a pitch for its creative and expanded implementation, because I think it has made a lot of difference in Indian country.

What I want to explore right now in my oral remarks are what I see as four important linkages between practical sovereignty and self-determination and economic and community development in Indian country. I want to explore those links, reinforce them, and hopefully provide you with some ideas for policy action.

The first link is one of institutional design. Governing institutions provide the foundation on which economies are built. They provide a rule of law, help resolve disputes, and smooth the processes of business interactions. But to be effective in these roles, institutions must also be legitimate. They must reflect the society's beliefs about how power and authority ought to be distributed and exercised.

This is a consonance that in our research we call "cultural match." It is the leading reason why self-rule, practical sovereignty and self-determination matter. Sovereignty and self-determination make it possible for a Native nation to design its institutions with traction in a society. People will follow those rules, and the institutions are able to work in support of economic development and community change.

The second idea that ties sovereignty and self-determination to positive economic outcomes is ownership. Self-determination and self-governance place resources squarely in the hands of Native nation officials and citizens. This leads to an increased sense of ownership over those resources, which in turn backs up the effectiveness of community development strategies. Ownership is about people coming to say, "these are my resources; don't mess with them."

The third link, accountability, is really the mirror image of ownership. In the direct service model, where Federal administrators manage programs, program managers are accountable to Washington and not to tribal citizens. But under a contract or a compact and other manifestations of self-determination and sovereignty, tribal government program managers become accountable to tribal citizens for how resources, both Federal resources and a tribal governments' own resources, are used.

I want to point out here that the hard statistical evidence on this shift in accountability is unequivocal. From programs such as forestry management to health care, changed accountability through tribal takeover of program management improves program outcomes.

And now there is also an additional, largely unsung, payoff to self-determination, and that is leadership development. Indigenous control attracts and provides a fertile training ground for talented leadership. These leadership skills result in more effective bureaucracy, creative programming, new economic opportunities, and even the expanded use of self-governance, so you get a virtuous cycle of economic growth and community change going in these communities.

I just want to end my remarks with this pitch, that self-determination, and here I mean self-determination broadly conceived, not just the idea of Public Law 93-638 and its amendments, is the

only Federal policy that has worked to alleviate poverty and social distress in Indian country. Without self-determination, the Federal Government invites increased and prolonged dependence on the Federal budget, and that is a lose-lose policy for everyone.

[Prepared statement of Ms. Jorgensen appears in appendix.]

The CHAIRMAN. Ms. Jorgensen, when you say self-determination, do you believe an integral part of that is self-governance?

Ms. JORGENSEN. I do. I want to be clear here that in a lot of ways, and I am subject to this myself, the terms "self-determination" and "self-governance" are captive to the policies that the Federal Government has put in place, while I want to talk about the ideas very broadly.

The CHAIRMAN. Yes; but I was referring to the specific self-governance law that tribes are free to implement or not implement.

Ms. JORGENSEN. Yes; and in fact I make a point in my written testimony that says I really like self-determination policy in Public Law 93-638, but I like self-governance better, because I think there is a tendency under self-determination for tribes to simply self-administer programs. Their operations become an extension of the Federal Government, and that is not really taking advantage of the four points I have made here about how you really get creative programming and true self-rule, which is through good institutional design. That is only possible under self-governance where there is more freedom to design programs that work. So I really do like that policy better. I like them both, but if I were to rank them, the self-governance policy gets higher marks in my book.

The CHAIRMAN. President Garcia, why do you think there has been such a slowdown in tribes choosing to exercise self-governance?

Mr. GARCIA. Sir, it might just be the policies that are set forth and may demonstrate that policies are implemented or laws are made and Indian country proceeds with some of those, being active in those environments, and they become successful, and then new laws are made to sort of curtail their effectiveness and their success.

The CHAIRMAN. What laws have been passed which would curtail their ability to exercise self-governance?

Mr. GARCIA. Well, the self-governance is different, though. I think we need to make a separation between self-governance. "Governance" means governmental services that are provided for Indian country and the tribal membership, whereas self-sufficiency and self-determination is about how do you succeed using not government, but the business side of it, and how you interface the two is an important piece.

The CHAIRMAN. President Garcia, we passed a law concerning self-governance in, somebody knows what year it was. It was former Senator Dan Evans that was prime. It was in the 1980's. There were a large number of tribes that decided to exercise self-governance, according to that law. My specific question is, why is it that a number of tribes have not? At first, we had a large number of tribes who chose it, and by all reports it was a great success, but now there has been a slowdown. Maybe Tex Hall can give me his view of that, given your previous position.

Mr. HALL. Mr. Chairman, I would say the number one issue is budget, funding, or lack of funding. You are correct. It is very successful, but tribes are hesitant because if they manage the contracts and the funding doesn't follow, then it goes cycle from year to year, then it falls flat on its face. So there was a great success. Really, a lot of tribes were involved with the self-governance, and those that are doing it, I think Bob Middleton talked about the statistics are very good, and probably Ms. Jorgensen, but it has slowed down because of funding. There is uncertainty among tribes of what is going to be in the Federal budget.

The CHAIRMAN. What I don't quite get is the choice is not what the money is going to be in the Federal budget. The choice is whether it is administered by the BIA or by the tribe themselves. So I don't quite understand. I think there is a legitimate concern about funding of programs, but my understanding of self-governance is the decisions are made by the tribe or they are made by the Federal Government.

Mr. HALL. Mr. Chairman, could I just comment?

The CHAIRMAN. Yes; could I just say at the time of passage, we were worried, and we made it voluntarily for a number of reasons, but one of them was that some tribes did not have the infrastructure to administer their own programs. It seems to me that they have had a number of years now to set up that infrastructure so that they could then make the decisions at the tribal level that are otherwise made at the Federal level here in Washington.

I think testimony that we have received over the years, including today, where unemployment is lower on self-governing tribes rather than not, I can understand the real concern about funding levels. But I am not sure how that would affect decisions as to whether to take whatever funding there is and make the decision on how to spend it at the tribal government level, as opposed to Washington bureaucracy level.

Please respond. Both of you. Go ahead.

Mr. HALL. Mr. Chairman, I just wanted to mention on Indian Health Service, the reason that tribes are reluctant to self-govern that program is because, let's use contract health. There is a report that says don't get sick after June because those funds run out around June 30, so they don't have enough money to go to the end of the fiscal year.

The CHAIRMAN. Don't they run out no matter whether you are a self-governance tribe or not? That is my point.

Mr. HALL. So it is a liability issue.

Mr. GARCIA. Let me respond, Senator. If you use the word "success" or "non-success," I guess it would reflect that. If the appropriations don't follow the mandates and the services are to be provided by tribal government, then if the funds run out, that says that you have been unsuccessful in implementing programs that are for the benefit of the people. And so if the funds dry out and you don't provide as effective services, that sends the wrong message. I think there is a fear for those tribes that want to do that. They still hold the Federal government responsible for its fiduciary trust responsibility. So getting away from that would say, well, we de-obligate the United States for its trust responsibility, and that would hinder the progress.

The CHAIRMAN. I think we are talking past each other. We appropriate a certain amount of money for Indian health care. It doesn't say "this amount for self-governing tribes and that amount for non-self-governing tribes." We appropriate certain amounts of money for certain purposes.

Now, I will freely agree, and all of us, or at least certainly a majority of us on this committee feel strongly opposed to any cuts in funding, particularly for Indian health care. I have never seen in any legislation saying "this is for tribes that are self-governing tribes, and those are not."

So we are talking past each other. I guess there is no point in continuing this conversation because I believe that the most efficient use of these Federal dollars, as they become scarcer, is the decisions made by the tribal governments themselves. Whether they are unsure of funding or not unsure of funding, they are still either going to receive or not receive the money. I think that every tribal government that I have talked to that exercises self-governance is more satisfied with being able to make the decisions themselves.

Senator Dorgan.

Senator DORGAN. Mr. Chairman, if I might just follow on that point. I think with respect to something Chairman Hall said, this issue of contract health running out of money in May or June, for example, and someone being very, very ill, in chronic pain, and it is not judged life or limb, in those cases the health care is not going to be available to them. My guess is that under self-governance, all of a sudden the tribe says, no, the reason it is not available is we are in charge and the money is not there. I think that gets to the liability question and who is responsible for the money not being there.

I understand the point you are making as well.

The CHAIRMAN. I understand that. And it is disgraceful that we should be in this situation. I think we are certainly in agreement on that.

Senator DORGAN. Running out of money for contract health is in fact a disgrace. It is doing two things. Number one, it is preventing people who have serious health problems from getting the kind of health care they need. And number two, in certain circumstances, those who got the health care they needed and who fall into this gray area, and it is not being paid for, it ruins their credit because the hospital goes back after them because contract health doesn't pay for it.

But let me ask a question. I guess first for Mr. Middleton. I have the 2003 report of Indian population and labor force report. Is there a new report? This is the last report issued?

Mr. MIDDLETON. It is the last report issued, but we are preparing the information right now and it will be out at the end of this year.

Senator DORGAN. I think you are required to do that every two years, so I would expect that it would be out soon. I was looking at this because of the testimony today. I am trying to understand whether we are taking baby steps or making big strides in dealing with this issue of unemployment and trying to address some of the economic issues. Ms. Jorgensen's report suggests that we are making some progress. You have all suggested we are making progress.

I am looking at this report. This is 2003. Let me just mention a couple of statistics: Fort Berthold, 71 percent unemployment in Fort Berthold. I want to ask about your anecdotal notions about are we making progress to whittle that down: the Pine Ridge Agency, Ms. Meeks, 87 percent unemployment; the Sisseton-Wahpeton Tribe, which is partially in North Dakota, 82 percent unemployment; the Standing Rock Sioux Tribe, 56 percent on the North Dakota side, 91 percent unemployment on the South Dakota side; Turtle Mountain Tribe in North Dakota, 71 percent unemployment.

So we are talking about very high rates of unemployment in 2003. All of us understand the consequences of that. The consequences are devastating. The inability to get a job that pays well with benefits to allow you to take care of your family and do the things that give you an opportunity for a good life, those are gone if you don't have that opportunity.

So let me ask whether you see now these numbers that we have. They are the latest numbers that exist. When the new report comes out, and I don't have any idea what these numbers will show, but the question I have is: Are we making strides? Ms. Jorgensen says we are. Are they baby steps or are they big strides? Ms. Meeks?

Ms. MEEKS. Well, I can speak for several reservations in South Dakota, primarily Pine Ridge. I think we are taking baby steps, but I think we are headed in the right direction. To tell you the truth, I don't think there is any way to do it but to take baby steps. That is why I am such a proponent of small business development because as I said, I have a grocery store. I have a business at Pine Ridge and we hire about 20 people. Let me tell you, we had to work very hard to get those 20 people, kind of get a core group, because people haven't worked for years.

And so I know, and other business, Crazy Horse Construction, one I mention in my testimony, is hiring 20 or 30 people. And this has all come about in the last 10 years. So I am surprised that that report in 2003 says 87 percent because the South Dakota Business Review actually showed a decrease, and actually the fastest growing employment in any county in South Dakota, which is still not good.

Senator DORGAN. Baby steps toward a goal can take decades, given how far the population is below the rest of the American population. So I am not diminishing what you said.

The CHAIRMAN. When you said fastest growing employment, from what to what?

Ms. MEEKS. I actually can't even remember the percentages now, but compared to any other county in South Dakota, Shannon County, which is Pine Ridge Reservation, it had the fastest growing employment than any other county in South Dakota. So it is headed in the right direction. I mean, we are still at the bottom virtually.

Senator DORGAN. It says, for example, just to use Pine Ridge, the latest report that we have as a panel says 87 percent unemployment. There were 3,400 jobs essentially and 2,800 of them were public sector jobs; only 576 private sector jobs. My guess is that all of us would agree that what we need to do in order to provide opportunity is to build the private sector. I know that is what Chairman Hall is talking about on the Fort Berthold Reservation.

So as much as we can, we really need to get new numbers to find out what has happened; where are we moving and how quickly are we moving in that direction.

Chairman Hall, this suggests that on the Fort Berthold Reservation we have 71 percent unemployment. In your notion, is that improving at this point?

Mr. HALL. I think it definitely is improving. I think if we looked at the data today, 2006, it would be much less because we just had, it was 300 plus on the new Four Bears Bridge construction of tribal members and other tribes working, but now that the bridge is complete, that is our challenge. How do we provide, and I think that report shows available workforce in one of the categories, Senator Dorgan.

That is the best thing that I got in that report is that unemployment is one thing, but available workforce is another. So it shows there is an available workforce if we can just create the opportunities. I think we are taking small steps. I would like to take larger steps, and I know Elsie, my good friend, is more on the entrepreneurship. I am more on creating large business contracts that are probably leaving our State and going somewhere else. We would like to keep those jobs within Indian country and our States.

So we are losing opportunities. In natural beef, we don't have the capital to put feedlots of processing plants, but by doing a teaming agreement with somebody else, we could do it right now. So those are the kind of opportunities, like the IT that we are looking at. How do we create teaming agreements with corporate America, with people who have the expertise, to get those contracts and get those jobs created right now.

Senator DORGAN. I might just point out, I just received information. The Indian Self-Determination Act was passed in 1975. The Indian Self-Governance Act, which expands self-determination, was passed in 1989. I share the belief of the chairman that this is a really important direction. I think the Harvard studies show this.

I think the people best able to make decisions about what is promising, what works, what doesn't work, are the people who are running the tribes, the tribal government. So I agree with the chairman.

One other point, I note, Chairman Hall, you and I have had lengthy discussions about this. President Garcia, you mentioned it, and Mr. Morgan, you did as well, the trust land issue, which is a real problem. When you talk about how do you develop new enterprises, create new business, startups and so on, you have to talk financing. When you talk financing, you talk now in present day circumstances about a huge disadvantage for tribal governments because they don't have the land base because of the trust land situation that most others would have to go to lenders and to go to others to say, here is the asset base we have, upon which you can lend.

So we also need to begin thinking about how we address some of that. You have made some recommendations today which I think are helpful as well. But all of us, I think we are of one mind. All of us desperately want to find the key that unlocks opportunity here. It is not right in this country that we have pockets of poverty that exist similar to third world conditions.

You can look at this and say 80 percent are out of work. It is not because they don't want to work. These are people that would, in my judgment, they would trade their circumstance in a nano-second for a good job that pays well with decent benefits, that would give them a chance to take care of their families.

So, we want what you want, and I think it is very helpful to have you describe to us what you are observing and what your circumstances are, and the kinds of things you think could be helpful. Ms. Jorgensen, thank you for the work that you are doing, both in Arizona and at Harvard, trying to provide some focus and some spotlight on these issues.

Mr. GARCIA. Mr. Chairman, if I may make one small recommendation? I think it will impact a lot of Indian country, and that is that something we have demonstrated in Ohkay Owingeh, New Mexico is that because we have a tribal business, the Thay Corporation, when we planned out our business diversification, we basically kind of overcame the hindrances of leasing agreements with the Bureau and the requirements thereof by setting aside a commercial development sector, if you will, and defined that property. It is a major commercial development area, and we obtained a master lease signing the agreement one time with the Bureau, and agreed to that.

So we then turned that over to the corporation, the tribally owned corporation, to do with it as it wished in terms of commercial development. So you by-passed a requirement that has been a hindrance in a lot of Indian country, and that seemed to help us move forward a lot faster. So something like that could be incorporated in a number of other tribes, and that would be a big help. Thank you.

Senator DORGAN. President Garcia, thank you.

I have to run, but as we conclude, I didn't ask you a question, Mr. Morgan, but I did want to say that your story and your success is very inspiring. Congratulations to you.

Mr. MORGAN. Thank you.

The CHAIRMAN. Yours and the Choctaws are great, inspiring stories.

Senator Dorgan, I know you have to run. We are about to wrap up here. I think maybe there has been some lack of attention to the self-determination, particularly self-governance issues. Maybe this committee could do a little research, helped by Ms. Jorgensen and others, and point out the success of the self-governance program and send a letter to the Indian tribes on behalf of this committee saying that we hope you will take another look at self-governance, since it seems to have lost some of its momentum, and yet it seems to have been rather successful for Native American tribes. We certainly would not want to mandate it, but at least we could point out to many of the tribes that at least for the overwhelming majority of tribes that have adopted self-governance, it has been very successful. Would you agree with that assessment, Ms. Jorgensen?

Ms. JORGENSEN. I would. I also think there is more that the committee can do than send a letter.

The CHAIRMAN. All right. What would you like for us to do?

Ms. JORGENSEN. Congress can actually increase the incentives to take up self-governance. I think one of the things you have heard from the Honorable Mr. Hall and the Honorable Mr. Garcia is that tribes right now don't feel the incentive. Despite the fact that the research evidence shows that there are advantages, that is not translating to an incentive at the Native nation level.

I think there are a variety of things, for instance investments in the administrative capacity, which you noted was discussed back in 1988 and 1989 when the legislation was passed. To be specific, maybe competitive funding streams made to develop administrative capacity could increase the uptake.

I think there's also an oblique way of getting at it that is quite important. It relates to administrative capacity. It is echoed in some of the comments of Dr. Middleton about the labor force report. Tribes don't have the management information system capacity to generate a lot of their own data, to understand the success of programs, even know very precisely what their unemployment and employment situation is. Investments in that kind of capacity I think could make those points to tribes.

The CHAIRMAN. Then I would like to have from the witnesses their recommendations. Maybe Senator Dorgan and I would reintroduce tribal self-governance II, mission impossible II or III. [Laughter.]

Mr. HALL. The ratings aren't too good. [Laughter.]

The CHAIRMAN. Well, Senator Dorgan will play Tom Cruise. [Laughter.]

The CHAIRMAN. But maybe we could shape some kind of legislation to increase incentives for self-governance. It works, and it obviously is not being adopted by a significant number of tribes at this time. Maybe this is something valuable we could have learned from this hearing.

By the way, President Garcia, Senator Smith is holding a hearing on May 23 in his subcommittee of the Finance Committee to address tax-exempt bonding in Indian country. Pay close attention to that, and we will work with Senator Smith because that area does fall under the Finance Committee, as you know.

I want to thank the witnesses and I appreciate the testimony. You have re-motivated us.

Thank you.

[Whereupon, at 11 a.m. the committee was adjourned, to reconvene at the call of the chair.]

APPENDIX

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF HON. BYRON L. DORGAN U.S. SENATOR FROM NORTH DAKOTA, VICE CHAIRMAN, COMMITTEE ON INDIAN AFFAIRS

Mr. Chairman, most of us in this room today are aware of the Third World conditions that continue to be commonplace in most Indian communities. While the United States maintains an unemployment rate around 5 percent, unemployment within Indian country continues to be near 50 percent, with some reservations in the Great Plains having an unemployment rate over 75 percent.

Tribal communities continue to face extreme poverty, severe health conditions, overcrowded and substandard housing, substance abuse problems, and a weak education system. This is unacceptable.

Similar to Third World Countries, many of these social issues faced by tribes are a result of under-developed and unstable economies and governments.

But tribes are somewhat unique in that Congress and the Federal Government are partly to blame for the condition of tribal economies and governments:

- Many tribes were removed from their traditional homelands.
- In some instances the United States took the best lands on Indian reservations for our public projects.
- Our Federal courts continue to limit tribal jurisdiction over their lands, and the tribes' ability to tax persons and activities that occur on their lands. The basic services that any local government can provide its citizens are dependent upon that government's ability to raise revenue, which is primarily done through taxation. **Yet, Indian tribes lack a clear tax base.**

Now, **I'm NOT suggesting that the Federal Government supply an endless amount of money or initiatives to build tribal economies**, but we do need to recognize that many of the obstacles faced by tribes are a creation of the Federal Government. Nor do I believe that it is the Federal Government's responsibility to ensure that each tribe has a thriving economy. **But it is our responsibility to look for ways to remove the hurdles to tribal economic development that we helped to create.**

The Federal Government continues to **support the policy of self-determination and self-sufficiency for Indian tribes**. However, neither of these objectives can be reached if tribes are not able to develop strong and sustainable economies.

Each Indian tribe is unique, and thus, the development of each tribal economy will have unique attributes.

There is no "one-system-fits-all" solution here. But I think that there are some **basic elements that ANY successful economy requires:**

- Stable governmental institutions;
- Governmental jurisdiction over its citizens and lands;
- The ability of a government to tax persons and activities on their lands;
- Physical infrastructure;
- A healthy, educated workforce;

- Jobs that provide a livable wage;
- Assess to financial capital and markets; and
- Incentives for entrepreneurial innovation.

We need to find ways to assist Indian tribes and individuals obtain these characteristics. We need to

- create incentives; and
- provide technical and financial, and other assistance to tribes; and
- promote economic activities in Indian country for tribal members and public and private investment companies.

I know that there are some examples of successful tribal economies out there, and I think we are going to hear about some examples of success today. These successes have been in spite of the economic liabilities faced by tribes and their members, and I applaud the good work that our witnesses are doing.

And let me finish by saying that as we look at this issue, **we should NOT limit our trust responsibility to tribes.** Rather, we need to look at this issue as an opportunity to **fulfill our trust responsibility**, and helping tribes reach the goals of self-determination and self-sufficiency that Congress and the tribes share.

Mr. Chairman, this is an important issue, an overwhelming issue, which makes it difficult to determine how best to tackle it. But it is one that our Committee should be addressing, and I thank you for convening this hearing.



**Testimony of the
National Congress of American Indians
before the
Senate Committee on Indian Affairs
Oversight Hearing on Economic Development
Presented by President Joe Garcia
May 10, 2006**

Good morning Chairman McCain, Vice-Chairman Dorgan, and Members of the Committee. My name is Joe Garcia, and I am Governor of Ohkay Owingeh, formerly known as San Juan Pueblo, in the State of New Mexico, and President of the National Congress of American Indians (NCAI).

On behalf of NCAI, the nation's oldest and largest organization of American Indian and Alaska Native tribal governments, thank you for giving me the opportunity to testify before you today on the topic of economic development in tribal communities. I would like to take this opportunity to thank you for your ongoing commitment to diversified and sustainable economic development in Indian country. I am happy to be here today to continue what has been an ongoing discussion about how the federal government can best support tribes in our efforts to achieve self-reliance, prosperity, and economic parity through economic development.

Indian Country is a world of economic extremes. There are a few high-profile examples of tribes around the country who have prospered economically. However, there are hundreds more who remain nearly invisible, who are struggling to preserve their reservations, their culture, and their sovereignty. As this Committee well knows, the social and economic conditions in many Indian communities are comparable to those in developing nations around the world.

Real per-capita income of Indians living on reservations is still less than half of the national average. Unemployment is still double what it is for the rest of the country, and the poorest counties in the United States are on tribal lands. In addition, tribal governments have a severely restricted tax base. Tribes cannot impose property taxes on trust land, and an income tax on impoverished people is not feasible. Recent Supreme Court cases have compounded this problem by permitting state taxation on Indian land while at the same time limiting the ability of tribes to tax non-Indians. In addition tribes are hamstrung in their ability to access other traditional governmental revenue streams, such as tax-exempt bond financing, in order to raise revenue for governmental services and are limited to what we can develop from tribal businesses.¹ In sum, tribal citizens

¹ Matthew Fletcher, "In Pursuit of Tribal Economic Development as a Substitute for Reservation Tax Revenue," 80 NORTH DAKOTA LAW REVIEW 759 (2004).



have greater needs than their non-Indian counterparts, and at the same time, tribal governments have fewer resources with which to fulfill their governmental responsibilities to their citizens. Meaningful economic development is sorely needed.

But focusing solely on the persistent need in many of our communities ignores the promising strides that have been made in recent years. As Ms. Jorgensen's testimony reflects, the Harvard Project on American Indian Economic Development has found that across a number of indicators, socio-economic conditions are improving in Indian country and tribal economies are becoming more robust. From 1990 to 2000, family poverty rates decreased, real median income went up, housing overcrowding dropped, and more Indians were living in homes with adequate plumbing.² Significantly, the Harvard Project found that these improvements are found in both non-gaming and gaming communities alike and credits self-determination policies for the progress.³

Although the media focuses almost exclusively on Indian gaming, tribal enterprises are successfully pursuing economic development in a variety of industries from travel and tourism to energy development and manufacturing. Tribes are becoming much more sophisticated in assessing the assets available to them for economic development and making the most of those assets, which might include natural resources, human resources, cultural assets, and proximity to population centers, among others. In addition to developing tribal enterprises that sustain the general revenue fund of the tribal government, tribes have also made strides in growing the reservation economy by attracting outside investors into tribal communities and encouraging business development among tribal members.

Studies show that over the last decade, small businesses owned by tribal members have become an increasingly important part of the economic base in many Native communities.⁴ Between 1992 and 1997, the number of Native-owned businesses grew by 84% to a total of 197,300 businesses, and their receipts increased by 179%.⁵ The largest concentration of American Indian and

² Joe Kalt & Jonathan Taylor, Harvard Project on American Indian Economic Development, "American Indians on Reservations: A Databook of Socioeconomic Change Between the 1990 and 2000 Censuses," (2005).

³ *Id.*

⁴ Jennifer Malkin, et al., CFED, "Native Entrepreneurship," (Dec. 2004).

⁵ U.S. Census Bureau, 1997 Survey of Minority-Owned Business Enterprises. A more recent report using data from 1997 to 2002, however, indicates that Native-owned businesses increased by only 4%. MBDA, "State of Minority Business Enterprises," (Sept. 2005).

This dramatic difference is likely due in large part to the fact that in 1997, tribally-owned businesses were included in the survey, while in 2002 only businesses owned by individual Indians were included. This shift in methodology is indicative of the difficulty encountered finding accurate data on economic activity in Indian country. It also reflects the common practice of



Alaska Native-owned businesses operate in the Business and Service industry (17%), followed closely by firms in the construction industry (16%).⁶ A recent report from the Department of Commerce credits several factors for this growth including: 1) significant growth in the establishment of Native Community Development Financial Institutions (CDFIs) that can provide technical assistance, capacity-building, and microenterprise loans to Native entrepreneurs; 2) increased participation in the SBA 8(a) contracting program; and 3) tax incentives that attract business owners onto Indian lands.⁷

Research has also shown that while Native entrepreneurship is on the rise, the rate of growth among programs supporting those entrepreneurs is much slower than in the field as a whole.⁸ Native entrepreneurs are less frequently served by organizations that provide technical assistance and investment capital.⁹ Small business loans were rated “difficult to access” or “extremely difficult to access” by 63% of tribal respondents in one survey.¹⁰

But these generalized findings and observations paint only part of the picture. The diverse experiences and circumstances of the nation’s 560+ Indian tribes make it difficult to comprehend the current economic situation in Indian country from broad brush strokes alone. I’d like to share a few examples of what is happening in communities across Indian country:

- In Southeast Alaska, the traditional timber and fishing industries, which have historically been the mainstays of the Southeast economy, have been depressed for a number of years. The timber industry never rebounded from the loss of international markets, and the situation is further exacerbated by supply issues. Population in rural villages has declined from 2000 to 2005.¹¹
- For some communities, particularly in Northern Alaska, global environmental change is causing unprecedented changes to native economic livelihoods. Climate change is altering customary migration patterns used for fishing and causing structural damage to buildings that

conflating private businesses owned by tribal members with tribally-owned businesses that provide a larger public benefit through the tribe’s general revenue fund.

⁶ U.S. Census Bureau, 1997 Survey of Minority-Owned Business Enterprises.

⁷ U.S. Dept. of the Treasury, Comptroller of the Currency, “Commercial Lending in Indian Country: Potential Opportunities in an Emerging Market,” (March, 2006).

⁸ First Nations Development Institute, “The Native American Entrepreneurship Report,” (March 2002), available at <http://www.firstnations.org/Publications/NativeAmericaEntrepReport.pdf>.

⁹ U.S. Dept. of the Treasury, Comptroller of the Currency, “Commercial Lending in Indian Country: Potential Opportunities in an Emerging Market,” (March, 2006).

¹⁰ U.S. Department of the Treasury, “Community Development Financial Institutions Fund,” Native American Lending Study (Dec. 2000).

¹¹ Central Council of the Tlingit & Haida Indian Tribes of Alaska, “Input to the Denali Commission,” (Jan. 2006).



were built on solid earth that is now thawing due to increased temperatures.¹²

- The Burns Paiute Tribe in Eastern Oregon is located hours from any major population center and is plagued by an unemployment rate of approximately 82%. The community is located on a small amount of land and has no timber, mining or fishing resources to draw upon.
- On the Pine Ridge reservation, the community continues to struggle with rates of unemployment that hover around 80% and profound poverty. In 1999, the federal government made Pine Ridge an Economic Empowerment Zone and promised a \$2 million grant per year for 10 years. However, that funding has subsequently been cut, which has impeded long-term economic development planning.

At the same time, other communities are thriving.

- The Mississippi Choctaw, for example, is engaged in a diverse array of business activities and is currently the second largest employer in the State of Mississippi.
- The White Mountain Apache tribe is managing one of the nation's most successful sustained-yield timber operations.
- The Confederated Tribes of the Umatilla Reservation have successfully diversified from an economy based on natural resources and now have a number of commercial developments, including an RV park, a cultural center, and a solid waste transfer station.
- The Gila River Indian Community developed and launched its own company, Gila River Telecommunications, Inc. (GRTI), that has dramatically increased the rate of telephone subscribership among reservation residents and provides state of the art telecommunications services to businesses located on the reservation.
- In my home state of New Mexico, the All Indian Pueblo Council recently established an inter-tribal real estate management corporation.

While a handful of tribes have seen their economies transformed in recent years, the vast majority of tribes remain in desperate need of meaningful, diversified economic development opportunities. We all know that tribes face many obstacles to economic development, including lack of access to capital,

¹² Susan Joy Hassol, "Impacts of a Warming Arctic," (Nov. 2004).



inadequate infrastructure, remote locations, complicated legal and regulatory status, and insufficient access to training and technical assistance, among others. Many tribes have found innovative ways to overcome these barriers to economic development. In addition, a number of federal programs have helped to reduce the barriers that stand in the way of long-term, self-sustaining reservation economic development.

As the distinguished researchers at the Harvard Project on American Indian Economic Development and others have found time and time again, creating an environment that supports tribal self-determination and tribally-driven economic development is the most effective strategy for confronting the persistent poverty in many Indian communities. This same conclusion was drawn in a report prepared for the Department of Health and Human Services in 2004.¹³ That report concluded that of the more than 100 federal programs available to assist tribes or tribal members with economic development,¹⁴ none stands out as the most beneficial for every tribe. Rather, the researchers concluded, “the federal government’s ongoing commitment to Indian self-determination, tribal self-governance, and tribal sovereignty has had a positive impact on [business and economic development] in Indian country.”¹⁵ Targeted programs are helpful, of course, but flexible programs that allows tribes to develop their own solutions to address their communities particular needs work best. Acknowledging this reality, I would still like to spend a few minutes talking about some of the specific programs that tribes have successfully employed for economic development.

Federal Tools and Programs

It goes without saying that there is no “quick fix” for economic development in Indian country. Improving the economies of tribal governments will undoubtedly be a long road and no single program or initiative is likely to have dramatic, short-term results. That being said, the federal government provides a range of tools and programs that tribes have been able to successfully utilize as they seek self-reliance in a variety of innovative ways. Some of these tools were designed by Congress to fulfill the trust responsibility to assist tribes with economic development, while others are intended to benefit economically disadvantaged communities more generally.

¹³ Hillabrant, et al., “Overcoming Challenges to Business and Economic Development in Indian Country,” (August 2004).

¹⁴ A 2001 GAO report estimated that there are approximately 100 federal programs to assist Indian tribes and tribal members with economic development. This is in addition to any regulatory advantages and tax incentives intended to promote economic development on tribal lands. Government Accountability Office, “Economic Development: Federal Assistance Programs for American Indians and Alaska Natives,” (December, 2001) (GAO-02-193).

¹⁵ Hillabrant, et al., “Overcoming Challenges to Business and Economic Development in Indian Country,” (August 2004).



SBA 8(a), HUBZone, and Government Contracting Programs

A 2004 report on overcoming barriers to economic development prepared for the Department of Health and Human Services identified the 8(a) minority contracting program (along with gaming, EZ/EC Program, and the USDA rural development program) as one of the most valuable programs for tribal economic development.¹⁶ The Federal government buys over \$200 billion in goods and services annually, and the 8(a) and HUBZone programs provide incentives for federal agencies to contract with tribally-owned business for the procurement of these goods and services. The impact of this program, particularly for tribes who have been unable to jump start their economies through gaming, cannot be overstated.

A recent GAO report found that the 8(a) program is helping Alaska native and Tribal businesses develop.¹⁷ Data in the Report demonstrates that 8(a) provisions for Indian Tribes and ANCSA corporations have increased self-sustaining economic drivers and self-reliance in many Native communities across the United States. The government-to-government commerce stimulated by the 8(a) business development program and HUBZone program is one of the most successful initiatives undertaken by Congress as part of their trust responsibility to foster self-sufficiency and economic development in Native communities.

Tax Incentives

In 1993 Congress enacted two provisions that created incentives for economic development in Indian Country. The federal Internal Revenue Code sections 168(j)(8) and 45A(f), create investment tax credits for businesses that are investing on tribal lands. In addition, an accelerated depreciation credit allows investors to accelerate the depreciation rate applied to equipment and other property associated with economic development projects on Indian lands – a valuable tax incentive for capital intensive industries such as energy and manufacturing. A wage tax credit allows investors to take advantage of reduced federal employment taxes on Indian employees of a business located on Indian lands.

These provisions have proven to be some of the most successful investment incentives for Tribes seeking to attract non-Indian investment dollars onto Indian lands. These incentives, however, would provide untold opportunities for even greater development opportunities if they were not subject to one or two year extensions. These short-term extensions make it difficult for potential investors to plan into the future. Since early in 2001, NCAI has supported legislation to

¹⁶ *Id.*

¹⁷ Government Accountability Office, "Contract Management: Increased Use of Alaska Native Corporations' Special 8(a) Provisions calls for Tailored Oversight," (April, 2006) (GAO-06-399).



permanently extend these incentives. This Congress, unfortunately, is not unlike many Congress before it. The future of these provisions currently sits with conferees who at best will provide a one or two year extension. Tribes do not receive the full intended benefits of these provisions when investors are not able to count on the tax credit from year to year.

Government Guarantee Programs

As many studies have shown, the lack of access to capital is one of the major barriers to successful economic development on tribal lands for both tribal enterprises and prospective individual Indian entrepreneurs. There is a profoundly high unmet capital need in Indian country. The Harvard Project on American Indian Economic Development estimates that between \$17.6 and \$56.5 billion in capital need goes unmet every year.¹⁸ Whether it is the inability to leverage lands or homes, a lack of traditional financial institutions, an unwillingness on the part of lenders to do business in Indian country, or poor financial skills among tribal members, Indian entrepreneurs and tribal enterprises have historically had a hard time accessing money or technical assistance to enable them to pursue business development.

A report put out last month by the Department of Treasury, however, notes that the commercial lending market in Indian country is growing.¹⁹ Large banks that hesitantly began working with tribes to finance gaming operations, have become more comfortable structuring deals that account for the unique risks associated with doing business in Indian country. They have now begun diversifying their lending and investments into other economic development projects.²⁰

In areas where the infusion of capital is critical, federal guarantee programs have been instrumental in increasing the comfort-level of financial institutions that are considering investing in Indian country. Tribes would benefit from additional policies aimed at increasing tribal use of tools that other governments use so successfully to raise capital like housing bonds and other governmental bonds.

Tax-exempt Bonds

Specifically, under current law, tribes may issue tax-exempt government bonds only for facilities used in the exercise of an essential governmental function, a restriction that does not apply to state or local governments. For many years legislative ambiguity around the definition of what constitutes an "essential governmental function" has had a chill on tribal participation in the tax-exempt bond market and hindered much needed economic growth in Indian country.

¹⁸ *Id.*

¹⁹ U.S. Dept. of the Treasury, Comptroller of the Currency, "Commercial Lending in Indian Country: Potential Opportunities in an Emerging Market," (March, 2006).

²⁰ *Id.*



Legislation is needed that would allow tribes to issue tax-exempt bonds or other financing obligations in a manner similar to states and municipalities so that proceeds can be used not only to encourage economic development in Indian Country, but allow tribes to provide for the most basic community needs. The unfortunate ambiguity in existing law has led to uneven enforcement by the IRS and limited the use of what could be a valuable economic tool for tribes.

This past fall your colleagues in the House urged the IRS to address the problems that uneven enforcement creates. Moreover, the IRS's own Advisory Committee on Tax Exempt and Government Entities has devoted portions of its annual report from the last two years to acknowledge problems with uneven enforcement in Indian Tax exempt bonds – the IRS's own reports even offer suggestions for improvement.

Despite the opportunity to correct this, however, the IRS has not implemented its own recommendations. Open ended auditing has halted existing tribal economic development projects. The uneven auditing has caused financial institutions to place unfeasible requirements on tribes' development projects and chilled the tribal bond market thus stagnating future attempts by tribes to diversify. This uneven treatment under the law is counter to a policy of self government and empowerment among tribes. It will only stop when a legislative measure clarifies "the essential government function" definition.

Land Leasing and Title Challenges

Economic development in Indian country is closely tied to our land and natural resources. As you know, Indian land is generally restricted from sale or purchase, and the title to the land is held in trust by the federal government. The Department of Interior is responsible for administering the land and the trust. Almost every development activity on tribal land requires some sort of action by the Department – whether to approve a lease or provide a record of title or transfer land into trust status. The Bureau of Indian Affairs has suffered from decades of neglect and underfunding and its systems and policies for managing land are outdated and staff is not adequately trained. As a result, the BIA has become extremely slow in performing these functions, most of which are routine and clerical, and the lengthy delays are often the cause of our inability to attract business development.

Of course there are many efforts underway to correct the trust problems at Interior. We worked closely with this Committee to develop and pass the American Indian Probate Reform Act, and it holds the promise of helping to consolidate badly fractionated lands. Right now we are working on legislation that would settle the Cobell lawsuit. The litigation has dragged on for ten years and there is no end in sight. The budget for Indian programs is being depleted by Interior's need to conduct a historical accounting, and the embattled posture is



impeding progress on many other important issues. Everyone agrees that a huge historical accounting is too expensive and would be a waste of money. We need a pragmatic solution to settle the litigation and move toward a new era where Indian lands will be managed by tribal governments under the policy of tribal self-determination.

Tribes are particularly supportive of the parts of the legislation that create a pilot project for trust asset management plans, and will streamline the bureaucracy that has grown up at the Office of Special Trustee. The survival of tribal cultures depends upon the continuance of tribal lands and the progress of tribal self-government. We need to reshape the role of the federal trustee to protect the long-term viability of tribal lands consistent with tribal control of use and development. The future of trust management includes increased tribal control over lands and resources—and a federal system that provides technical assistance and trust oversight over resource management in a flexible arrangement driven by the unique circumstances of each tribe and reservation. S. 1439 and H.R. 4332 are the next steps in this process and we urge Congress to move forward with the legislation.

Job Creation through Self-governance

Government programs are a major source of jobs in many Native communities. Since the passage of the Indian Self-Determination and Education Assistance Act, tribes have taken over the operation of many federally funded programs in their communities. In addition to improving the administration of the programs, this has created a substantial number of jobs for tribal members. It has also put elected tribal leaders and tribal staff in a position to gain experience in management and making their own decisions. When funding for these programs is cut, it not only has the primary impact of decreasing the benefits the program is designed to provide, it also has a secondary impact of costing jobs at the local level. Similarly, every time the Bureau of Indian Affairs is reorganized, jobs are lost at the tribal level. This reality needs to be taken into account by policy-makers.

Training Programs

Tribes have ongoing employment rights programs (TEROs), vocational education and adult education programs that help develop a workforce for the future. The flexibility in TANF, for example, for tribes to develop work readiness programs has been an essential part of a comprehensive economic development strategy in many communities. Capacity building and training programs are an important piece of the economic development puzzle that should be supported.



Tools for the Future

Achieving our goal of self-sustaining economies depends on the development of a sound infrastructure and the creation of a more business-friendly, yet culturally appropriate, environment. The infrastructure necessary for economic development goes beyond roads, water, and telecommunications. It also means strong, stable governments and an educated and capable workforce. Creating a more business-friendly environment on reservations requires uniform commercial codes, tort liability codes, collaborative business networks, and access to technology. We know in Indian country that economic development is inextricably tied to community development. A holistic approach is not only advised, it is essential.

Strengthening Tribal Governments

Researchers have frequently observed that strong tribal governments and, in particular, tribal courts, are critical for attracting private sector investment in reservation development. Congress recognized the need to strengthen tribal courts when it enacted the Indian Tribal Justice Act, specifically finding that “tribal justice systems are an essential part of tribal governments and serve as important forums for ensuring public health and safety and the political integrity of tribal governments” and “tribal justice systems are inadequately funded, and the lack of adequate funding impairs their operation.”

While the Indian Tribal Justice Act promised \$58.4 million per year in additional funding for tribal court systems starting in FY 1994, tribal courts have yet to see any funding under this Act. Economic development will only happen in conjunction with the strengthening and development of tribal governmental institutions. In particular, federal policies that support the development of tribal court systems, codes, and tax policies are instrumental in building the foundation for economic development.

Telecommunications Services and Technologies

For years we have been hearing that the remote location of Indian tribes is a barrier to economic development. Although this continues to be true, rapid advancements in technology in the past 20 years have made the world a much smaller place. For Indian tribes to benefit from this changing reality, we must have a well-developed telecommunications infrastructure. I had the opportunity to testify before the Senate Commerce Committee earlier this Spring on the topic of telecommunications. I will tell this Committee what I told them: As Congress rewrites the nation’s telecommunications policy, there is a tremendous opportunity to lay the groundwork for future economic opportunity in Indian country. We cannot afford to be left farther and farther behind.



In the global economy of the 21st century, telecommunications services and technology are basic infrastructure, like water, sewage, and roads. Yet, in some of our communities as few as 34% of homes have basic telephone service.²¹ And we all know that this is not about basic telephone service any more; The FCC estimates that broadband penetration on Indian lands is less than 10%. Indian tribes simply will not be able to compete and prosper if this deficit is not addressed. Because this issue is so crucial to the future of economic development in Indian country, I have attached my complete testimony before the Senate Commerce Committee, which includes a number of specific policy recommendations, to my written testimony for your consideration. I will reiterate just one of those recommendations here:

The Native American Connectivity Act, S. 535, which was introduced by Senator Inouye and co-sponsored by Senator Cantwell, would establish a flexible block grant funding mechanism for the development of telecommunications and information technology capacities in Indian Country. Grants would support infrastructure development, training and technical assistance, planning, assessments and research, and the development of tribal telecommunications regulatory authorities. The Native American Connectivity Act is the type of flexible solution that tribes need to be able to meet the telecommunications needs of their communities and its passage should be made a priority.

State Streamlined Sales Tax

As I mentioned above, the lack of infrastructure is one of the chief obstacles to economic development in Indian country, and one of the major challenges to building infrastructure is the tribe's diminished tax base. However, some tribes have begun to turn to sales taxes as a key source of revenue. For example, the Navajo Nation imposes a reservation wide sales tax and collects over \$14 million annually to provide government services.

Sales tax reform is a top priority of state governments because of the loss of revenue on internet sales that cross state borders. State governments continue their efforts to implement a uniform nationwide system of sales tax collection that would require out-of-state retailers to comply with the tax laws of states participating in the Streamlined Sales Tax Agreement. In late December Senators Enzi and Dorgan introduced S. 2152, the Sales Tax Fairness and Simplification Act, this bill would give federal authority to the states to collect taxes on remote sales. The bill is currently with the Senate Committee on Finance and has no provisions for tribes' tax authority.

²¹ Government Accountability Office, "Telecommunications: Challenges to Assessing and Improving Telecommunications For Native Americans on Tribal Lands," (Jan. 2006) (GAO 06-189).



The Streamlined Sales Tax affects tribes and we need the ability to participate along with other governments. Tribes have authority to assess taxes on reservation purchases and states may not assess a tax against Indian buyers receiving a purchase on a reservation. A key problem is that the Agreement simply overlooks tribes and would funnel all tax receipts to the states even when collected on sales to reservation Indians. It also does not account for reservation generated value. In addition, tribes do not have the ability to participate in the Agreement, which would have significant advantages in increasing tribal revenue collection from remote sales. If the goal of the Agreement is greater uniformity and ease of use for retailers, it should include the option for tribal government voluntary participation.

NCAI will continue to work with Senators Enzi and Dorgan to include a provision that would include tribes appropriately. The provision would provide for voluntary tax agreements and protect the existing rights of tribes who choose not to participate. The NCSL Executive Committee Task Force on State and Local Taxation of Telecommunications and Electronic Commerce has passed a resolution in favor of including tribes as sovereign participants in the Streamlined Sales and Use Tax Agreement. We would strongly urge this Committee to work closely with Senators Enzi and Dorgan and support tribal inclusion in the legislation.

Building Human Capital

One of the most important elements of the infrastructure necessary for economic development is an educated and capable workforce. The people are as important as the governmental institutions and physical infrastructure.

Education

Earlier this year I delivered the State of Indian Nations address and laid out what I see as Indian country's Four Great Steps for a brighter future. The Third Great Step was Education and the Economy. We know that education, the skills and abilities that our children learn in school, is the foundation of the economy. And the Indian education system is lacking.

Over one-third of Indian students will drop out of school before receiving a high school diploma. In addition, although Indian enrollment in higher education programs has increased nearly 65% in the past two decades, over 85% of Indians drop out of college before finishing and return to their communities.²² Only 13% of American Indians hold bachelors or graduate degrees, less than half the national average. As it now exists, the Indian education system is

²² Jonathon Taylor, Harvard Project on American Indian Economic Development, "Native America at the New Millenium," (2002).



inadequate to meet our children's needs. This in turn drags down our economy, whose infrastructure already lags behind the rest of the country.

We know from academic studies, and experience, that Indian children flourish when their classroom experiences are built on our tradition, language and our culture. The No Child Left Behind Act allows for this kind of education, but the resources to actually make it possible have yet to be appropriated. Congress should appropriate the funds to complete, what for Indian Country, is a part of the No Child Left Behind Act that we cannot afford to miss.

Financial Literacy

Financial literacy is increasingly recognized as a critical component of alleviating poverty and promoting economic development. At the same time, it is vital for communities with newly acquired wealth or sources of income. A recent study conducted by the Jump\$tart Coalition for Personal Financial Literacy shows, however, that the financial skills of Native students lag behind those of their non-Native peers.²³ For a number of reasons, including a historic lack of access to financial institutions, Native people do not have the skills they need to make good decisions about buying, saving, investing and borrowing.

In addition, poor financial skills make tribal members more susceptible to predatory lenders and tax preparers. 65% of Native communities report that predatory lending is a problem. A study by the National Community Reinvestment Coalition found that in 2000, 26.5% of all home mortgage loans to Native Americans were from a sub-prime lender, compared with only 10.4% for white borrowers.²⁴ While strong laws combating predatory lending are necessary, the first line of defense is financial literacy programs that arm consumers with information.²⁵ Limited financial expertise and inadequate financial education resources have significantly hindered the economic health of many Native communities.

Tribal leaders understand that in addition to empowering individuals to make better personal financial decisions, financial education programs will benefit the community as a whole. Financially savvy individuals become financially savvy tribal leaders who are equipped to make sound decisions for their communities. I am so glad that Elsie Meeks is here to testify today about the importance of financial literacy and Community Development Financial Institutions (CDFIs) to Native communities. As a member of the Native Financial Education Coalition that Elsie chairs, NCAI strongly supports the policy recommendations that were

²³ Lewis Mandell, "Closing the Financial Literacy Gap Among Native American Youth," (November 2005).

²⁴ Kyle Smith, First Nations Development Institute, "Predatory Lending in Native American Communities," (2003).

²⁵ *Id.*



first put forth by the NFEC at a briefing here on Capitol Hill last month. I have attached those recommendations to my testimony and will defer to Elsie's testimony for a more in depth discussion of these recommendations.

Technical Assistance

Development grants to provide targeted, concrete technical assistance to tribes can be a worthwhile and fairly inexpensive way to facilitate economic growth on Indian reservations.²⁶ In addition, it is an important part of ensuring that federal programs are as successful as possible. All too often, Indian tribes are prohibited from receiving training and technical assistance to implement new programs or federal statutes. When provisions for technical assistance are included, they are frequently underfunded or unfunded entirely. If a tribe is not provided with the training and expertise required to run a successful program, government resources are wasted.

Energy Development

The passage last year of the Energy Policy Act of 2005 provides Indian tribes with increased economic opportunities through energy development on tribal lands. The Act includes important provisions facilitating the development of tribal energy resources and promotes Indian self-determination over these resources. As this Committee well knows, 10% of the nation's natural resources are on Indian land, and Indian tribes are willing partners in natural resource development. We must, however, resolve current conflicts such as the issues surrounding rights of way, in a manner that allows for ongoing partnerships between tribes and industry partners in the future.

Long-Term Project Development

For a number of reasons, including to respond to sporadic governmental funding or shifts in federal priorities, Indian tribes have a history of jumping from one economic development project to another. When this occurs, the projects tribes have been involved in are left to wilt. Congress should work to stabilize funding and incentives for economic development programs to allow tribes to strategize comprehensively about the long-term development needs of tribal communities. Federal policies intended to promote tribal economic development must be long-term in nature and adequately funded. Economic development takes time and we need to leave programs in place long enough to allow them to work. Federal policies should also support strategic planning, feasibility studies, and diagnostic studies of the opportunities and obstacles facing individual communities.

²⁶ Miriam Jorgensen & Jonathon Taylor, Harvard Project on American Indian Economic Development, "What Determines Indian Economic Success? Evidence from Tribal and Individual Indian Enterprises," (June, 2000).



Research Needs

There is a tremendous need for additional research in the area of tribal economic development. Specifically, there is limited data available regarding how tribes are utilizing specific federal programs, which of these programs have been most beneficial for tribal economic diversification and sustained development, and how tribes are engaged in various industries. Comprehensive data is also lacking on the role that various tribal institutions, such as tribal colleges and CDFIs, play in economic and community development.

International Models for Development

The establishment of a tribal development corporation, as was first suggested by Senator Campbell during the 108th Congress, is an innovative proposal derived from international development models that have proven successful in helping improve the economic and social conditions of developing countries that confront a number of the same challenges that face Indian nations. The World Bank, for example, plays a crucial role in reducing poverty and increasing economic self-sufficiency across the globe, and we think there is great promise in seeing that work replicated in Indian Country. NCAI recently had the opportunity to testify before the House Resources Committee on HR 3350, which would authorize a feasibility study of a tribal development corporation. NCAI fully supports the concept of a tribally-capitalized organization that would serve much the same purpose that the various multi-lateral development banks do in helping spur economic development and improve well-being in regions around the world.

A tribal development corporation would empower Indian nations to develop a tribally-driven strategy for true economic self-sufficiency. It would increase the amount of capital available to tribes for economic development, provide much-needed technical assistance to tribes, and strategize comprehensively about the long-term development needs of tribal communities.

In addition, a tribal development corporation could be structured to help allay the concerns of outside investors who are hesitant to work with tribes because of issues of sovereign immunity and misunderstandings of jurisdiction. NCAI has recommended in the past that Congress establish an Indian Reservation Private Investment Corporation that will operate programs similar to those at the Overseas Private Investment Corporation that work to develop business ventures in developing countries. The insurance of investors from 'international' risk would help mitigate concerns stemming from perceptions of political difference.



International Commerce

Many tribes are beginning to look outside the United States for economic opportunities. At NCAI's mid-year conference this summer a major topic will be how tribes can and are engaging in the international marketplace. When Congress sets international trade policy, it is important that tribes are involved. Tribal governments should be consulted as trade agreements are being negotiated. NAFTA and CAFTA impact tribes.

In addition, like most governments of the world, the United States deploys diplomatic envoys to promote domestic business in international markets. The inclusion of tribal representatives in these envoys would be an excellent opportunity for tribes and the administration to promote the export of goods from tribal businesses. In some instances the goods from tribes' businesses are unlike any other goods in the world and they provide a unique trade opportunity. Moreover, as Indian Country strengthens its economic base and its future buying power, Indian Country is a distinct market that can purchase imported goods from other countries and thereby enhance diplomatic-trade relationships.

Foreign Trade Zones are typically industrial buildings located on or near U.S. Customs' ports. Goods that arrive via these Zones provide an attractive economic advantage to private business sending goods into the U.S. to either sell or assemble and complete the manufacturing of a good. Through trade relationships with the U.S. Customs and the U.S. Foreign Trade Zone Board, businesses are able to reduce their duty payments and their supply chain costs in both the domestic and foreign markets. Provisions under the Foreign Trade Zone Act that promote the establishment of Zones on or near tribal lands would help to capitalize on the geographic location of many tribes. In addition, tribes and their schools are also well suited to assess and implement community education standards that are responsive to the job training needs of manufacturing and assembly businesses that use the Foreign Trade Zones.

Conclusion

Research and experience has demonstrated that developing tribal governments and the capacity of tribal members is the first step toward meaningful, sustained self-reliance in tribal communities. While federal programs aimed at promoting business development and private sector investment in Native communities are important, the establishment of clear policies that respect and support tribal regulatory authority and self-governance is the most effective way that the federal government can support tribal economic development.

I have identified a number of policy initiatives that would do much to foster tribal economic development, several of which require addressing the needs of tribal governments in legislation that is currently moving forward in Congress. I encourage you to seize these opportunities and support tribal governments across the nation as we continue to move forward on the path toward self-determination and self-reliance. Thank you for devoting your time today to this important topic.



**Testimony of the
National Congress of American Indians
Presented by President Joe Garcia**

to the

**Senate Committee on Commerce, Science, and Transportation
Hearing on Rural Telecommunications
March 7, 2006**

Good morning Chairman Stevens, Senator Inouye, and members of the Committee. My name is Joe Garcia, and I am Governor of Ohkay Owingeh, formerly known as San Juan Pueblo, in the State of New Mexico, and President of the National Congress of American Indians (NCAI).

NCAI is the oldest and largest American Indian and Alaska Native organization in the United States. I sit before you today representing over 275 tribal governments and hundreds of thousands of Indian people. NCAI was founded in 1944 in response to termination and assimilation policies that the United States forced upon the tribal governments in contradiction of their treaty rights and status as sovereign governments. Today NCAI remains dedicated to protecting the rights of tribal governments to achieve self-determination and self-sufficiency.

On behalf of NCAI, thank you for giving me the opportunity to testify before you today on an issue that is critical to the future of our communities. I am here because only 68% of the households on tribal lands have a telephone compared to more than 95% nationwide, because of the more than 560 federally-recognized tribes, only 8 have tribally-owned and operated telephone companies, and there are only 35 tribal radio stations. Important decisions concerning telecommunications and broadcast policy are made here in Washington that impact the future of our nations and our peoples. As Congress looks to change telecommunications laws to address new and changing technologies, tribal leaders are becoming involved to an unprecedented extent. The Communications Act of 1934 and Telecommunications Act of 1996 left tribal roles, needs and abilities unaddressed. This is one of the root causes why our lands lag far behind the rest of the nation in virtually every measure of communications connectivity. We know that there is an opportunity before us to help all of Indian Country take historic steps forward, and it is one we take very seriously.

A strong telecommunications infrastructure is vital to every aspect of tribal governance and life. It provides the foundation for successful economic development and serves as an invaluable tool for education and training of tribal members. It is a life-saving blessing for our elders and others who are now or will be able to receive medical care through telemedicine services. It enhances our ability to preserve our languages and cultures, and it is a critical component in our efforts to play our part in emergency response and homeland security preparedness. While much of the country is leaping ahead in the



**Testimony of the NCAI on Rural Telecommunications
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digital revolution, Indian communities continue to struggle with issues of basic access to telecommunications services. Without this access, tribal nations simply will not be able to compete and fully prosper in the 21st century.

The unacceptable state of telecommunications technologies and services in Indian country has been well-documented in prior Congressional hearings, including a joint Indian Affairs and Commerce Committee Oversight hearing in 2003 and a hearing on the Native American Connectivity Act in 2004. I encourage you to review the records from these prior hearings for a more thorough background on the challenges facing our communities in this area.

I also encourage you to review the recently issued GAO report, which confirmed that basic telephone penetration in Indian country still lags far behind the rest of America and discussed the challenges associated with the deployment of telecommunications services on tribal lands. In some of our communities as few as 34% of homes have basic telephone service. As we all recognize, this is not only about basic telephone service any more. Although the GAO report found that accurate statistics on broadband penetration are not available, we know that those statistics are even more dismal. The FCC estimates that broadband penetration on Indian lands is less than 10%.

Despite the fact that information technology and telecommunications services provide the foundation for tribal nations to effectively fulfill their governmental responsibilities to their citizens, tribal governments were not mentioned in the Telecommunications Act of 1996. NCAI Resolution 05-068 (attached), which was passed at the NCAI annual session in November of last year, calls on Congress to expressly address the communications needs and priorities of tribal nations in any re-write of the Telecommunications Act of 1996.

The most significant barriers to telecommunications and information technology development on tribal lands include: geographic isolation, remoteness and low population densities; lack of capital for infrastructure development; lack of access to training, technical assistance and planning resources; high unemployment and poverty rates; low educational attainment rates; and public policies that limit the ability of tribal governments to determine their respective telecommunications destinies.

For the past two years, NCAI has collaborated with the Native Networking Policy Center to convene a series of sessions around Indian country with the goal of identifying policies that are necessary to overcome these barriers. Attached to my written testimony are the two resolutions passed by NCAI last fall that are the product of these convenings.

Because so much background information on the extent of the telecommunications crisis in Indian country is readily available, the remainder of my testimony will focus on the consensus telecommunications policy priorities that have been identified by tribal leaders.



TELECOMMUNICATIONS POLICY FOR TRIBAL COMMUNITIES

NCAI has a vision that equitable, affordable, and universal access to telecommunications services, including evolving and emerging technologies on tribal lands, will be available to American Indian and Alaskan Native communities by the year 2010. A number of policy changes have been identified by tribal leaders that will help make this vision a reality.

Acknowledgment of Tribal Regulatory Authority

The rights of tribal governments to assert regulatory jurisdiction over telecommunications activities on tribal lands is an effective means of protecting the public interest of Indian Country and providing universal access to telecommunications services. Some tribes are already successfully exercising regulatory authority in this area. The failure of current law, however, to acknowledge tribal regulatory authority, has engendered regulatory instability and ambiguity, creating numerous barriers to deploying critical telecommunications infrastructure and services and resulting in numerous cases of dispute and litigation regarding:

- Designating eligible telecommunications carrier status, which enables a telecommunications company to access Universal Service Fund dollars and be held accountable to service requirements and public interest and consumer rights obligations.
- Determining the size of local calling areas, which has led to long distance charges for calls from one community to another within a single reservation.
- Purchasing exchanges, which enable tribes to start their own telecommunications companies and provide telephony and broadband services to their communities.
- Assessing possessory interest taxes against right-of-ways, which prevent Tribal governments from deriving important sources of revenue.¹

In the current broadband era, social, political, economic and public safety discourse are all digitally mediated, and thus, dependent upon telecommunications services. Now, more than ever, telecommunications services are essential to preserving the political and economic integrity and viability of tribes, as well as ensuring the public safety of tribal members and others living on tribal lands. It is clearly within the public interest on tribal

¹ See, e.g., *Western Wireless Corporation Petition for Designation as an Eligible telecommunications Carrier for the Pine Ridge Reservation in South Dakota*, CC Docket 96-45 (2001); *Cheyenne River Sioux Tribe Tel. Auth. v. Public Utils. Comm'n of S.D.*, 595 N.W.2d 604 (S.D. 1999); *Cheyenne River Sioux Tribe Telephone Authority and US WEST Communications, Inc. Joint Petition for Expedited Ruling Preempting South Dakota Law*, CC Docket 98-6 (2002); *West River Telecommunications v. Henry, et al.* A4-02-126, (2003).



lands for tribal governments to exercise their regulatory authority as they are the entities that are best able to determine the most effective and efficient management of telecommunications activities on tribal lands.

Recommendation:

- Acknowledge the authority of tribal governments to regulate telecommunications activity on tribal lands.

Tribal Access to Spectrum

In the past, federal spectrum management policies have not acknowledged tribal sovereignty, self-determination, or the federal trust responsibility. As a result, very few tribes have been able to access licensed spectrum for public safety, telephony, community broadband or broadcast media. Instead, the telecommunications industry has purchased spectrum licenses throughout Indian Country with very little benefit to the public interest of tribes, Native American consumers, or non-tribal citizens living on tribal lands.

NCAI's coordination with the FCC and the telecommunications industry has shown us why gaining access to wireless spectrum is so important for Indian Country. Access to spectrum will ensure that American Indians are not left behind as technology advances in the 21st century. It will enable us to bridge the "digital divide" that persists for many Indian people in part because basic utilities infrastructures are lacking in Indian Country, making it harder to start a business in tribal areas. While the telecommunications industry has made strides in recent years in providing services to tribal peoples, 70+ years of telecommunications infrastructure build-out has not benefited tribal citizens to the same extent that it has benefited the rest of the nation. The financial incentives simply do not exist for industry to fully serve tribal communities.

Tribal governments, however, because of their responsibilities as governments, do have this incentive and are best situated to inform and assist the federal government in the most efficient use of spectrum on tribal lands nationwide. Like water, minerals, and timber, spectrum is a valuable natural resource for tribal communities, and the federal government should consult with tribes about spectrum management on tribal lands and ensure that tribal communities have access to this resource for purposes of tribal governance and economic development.

Spectrum access will also enable tribal governments to better provide for the public safety of their communities and to play their part in protecting our homeland. For telecommunications infrastructure and information technology to be developed and utilized in a manner that meets the social, civic, economic, educational and cultural needs of American Indian and Alaskan Native communities and the non-Native citizens living on the tens of millions of acres of Indian land across the country, federal telecommunications policy must respect the right of tribal governments to self-



determination. Tribal governments are uniquely positioned to know what works best for their communities. Access to spectrum is a prerequisite for these decisions at the tribal level.

Recommendations:

- Require government-to-government consultation for spectrum management on tribal lands.
- Ensure tribal access and options for ownership and management of spectrum on tribal lands for telephony, broadband and broadcast media.

Making Universal Service a Reality

Without the Universal Service Fund, telecommunications and information services on tribal lands would not be affordable or available for the vast majority of American Indian and Alaska Native households. Reforming the Universal Service Fund (USF), as a means to protect and preserve the Fund, is essential in sustaining and further developing the communications capacities of tribal governments. In particular, the deployment of broadband services to tribal communities is essential to the future economic, social and civic viability of those communities. Currently, there are many inefficiencies and waste in the USF. To ensure that the Fund is targeted to hard-to-serve and high-cost service communities, the Act should be amended to increase scrutiny of how the fund is being used, ensure parity of requirements and contributions, and eliminate waste in the Fund.

Section 254(b) of the Telecommunications Act of 1996 defines the goals for Universal Service (e.g., affordable access to telecommunications and advanced services for all Americans--including low-income families who live in rural and insular areas). Yet, nowhere in this section is an “unserved community” defined. Likewise, Section 214(e)3 states that if no common carrier will provide the services that are supported by Federal universal service support mechanisms under section 254(c) to an unserved community that requests such service, the Federal Communications Commission (with respect to interstate services), or a State commission (with respect to intrastate services), is given the authority to order the “best able” carrier or carriers to provide service to an unserved community which has requested services.

Without a specific definition or criteria for “unserved community” there is no standardized or explicit method for determining what an unserved community is, which has resulted in ineffective policy and unfortunate consequences. For example, there is no explicit means to enforce service requirements to unserved communities. It also promotes “cream skimming” and other industry abuses of the Universal Service Fund.



Recommendations:

- Preserve and protect the USF.
- Amend Sections 254(b)3 and 214(e)3 of the Act to define an unserved area as one in which service penetration is 15% below the nationwide penetration rate for any communications service; or 5% below national rural penetration rate for any communications service, whichever rate is higher.
- Provide access to broadband and telephony for all American Indians and Alaska Natives.
- Ensure that all telecommunications and information service providers that use the public switched telecommunications network equally contribute to the USF. All eligible telecommunications carriers ought to be held to carrier-of-last-resort standards and requirements, regardless of the technology being used.

Tribally-Driven Solutions

Many tribes throughout Indian Country have prioritized the development of a sound telecommunications infrastructure. Those same tribes generally are among the most successful in carrying out diversified development of all kinds within their communities. It is no question that high telephone penetration rates and easier access to the internet are hallmarks of healthy economies and healthy communities. But most tribes do not have sufficient resources or information to be able to decide and plan for their telecommunications future.

The Native American Connectivity Act, S. 535, which was introduced by Senator Inouye and co-sponsored by Senator Cantwell, would establish a flexible block grant funding mechanism for the development of telecommunications and information technology capacities in Indian Country. Grants would support infrastructure development, training and technical assistance, planning, assessments and research, and the development of tribal telecommunications regulatory authorities. The Native American Connectivity Act is the type of flexible solution that tribes need to be able to meet the telecommunications needs of their communities.

In addition to giving tribes the resources to develop telecommunications capacity as governments, opportunities to enter the market as providers or coordinate with those who agree to serve our unique and diverse needs must be ensured. In the past, barriers to entry have occurred in the actions of state regulatory bodies and the requirements of federal granting programs. For example, small rural, or tribal, carriers that purchase their facilities from large incumbent carriers inherit the same restricted regulatory status as the seller, which bars them from accessing the vital universal service high cost loop support that enables many rural carriers to sustain their operations. If our communities are to be



served and cared for, our own ability to provide services must be respected and protected by everyone, especially our federal trust and treaty partners.

Recommendation:

- Enact and fully fund the Native American Connectivity Act, S. 535.
- Remove barriers to entry for tribes seeking to become providers of telecommunications services on their lands.
- Permit tribal governments purchasing facilities on their reservations from large incumbent carriers to be eligible for universal service high cost loop support.

Media

Broadcast media has proven to be the most powerful, dynamic and valuable means of communicating to broad audiences simultaneously. Native radio stations are essential institutions in their communities and serve a critical role in providing news and information about tribal governance, health, public safety, and community events. It is often the only place on a reservation where people can hear programming for and by people of Native communities. Native radio is also central to Native language and cultural preservation.

Unfortunately, Native Americans suffer from a broadcast media (e.g., television and radio) divide more than any other minority group in the United States. This divide is a result of a number of factors: a lack of content produced and distributed by Native Americans; a lack of access to community-relevant and culturally-relevant content; and, in relation to the low occurrence of Native American media ownership, a lack of access to broadcast spectrum and the prohibitive cost of licenses.

Recommendations:

- Promote broadcast media ownership by Indian Tribes, Alaska Natives and Native Hawaiians to support local radio diversity.
- Establish a Native American media fund that will assist Tribes, Alaska Natives and Native Hawaiians with broadcast media capacity building, content production and content distribution.
- Set aside adequate spectrum for commercial and non-commercial broadcast media use on every reservation.



Conclusion

As Congress revamps the nation's telecommunications policies, a tremendous opportunity exists to empower Indian tribal governments to close the expanding digital divide in tribal communities. We strongly encourage Congress to consider how Indian tribes should be treated by the federal telecommunications policies in order to remedy the exclusion of tribal communities from the Information Society. The National Congress of American Indians and our member tribes stand ready to work with you to ensure that federal telecommunications policy develops in a way that best serves all members of our society and is consistent with the unique status of Indian tribes in the federal system.

NATIONAL CONGRESS OF AMERICAN INDIANS



The National Congress of American Indians
Resolution #TUL-05-068

TITLE: Resolution to Ensure Tribal Governments are Included in the Rewrite of the 1996 Telecommunications Act

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www.ncai.org

WHEREAS, we, the members of the National Congress of American Indians of the United States, invoking the divine blessing of the Creator upon our efforts and purposes, in order to preserve for ourselves and our descendants the inherent sovereign rights of our Indian nations, rights secured under Indian treaties and agreements with the United States, and all other rights and benefits to which we are entitled under the laws and Constitution of the United States, to enlighten the public toward a better understanding of the Indian people, to preserve Indian cultural values, and otherwise promote the health, safety and welfare of the Indian people, do hereby establish and submit the following resolution; and

WHEREAS, the National Congress of American Indians (NCAI) was established in 1944 and is the oldest and largest national organization of American Indian and Alaska Native tribal governments; and

WHEREAS, the National Congress of American Indians (NCAI) was established in 1944 and is the oldest and largest national organization of American Indian and Alaska Native tribal governments; and

WHEREAS, the 1934 Communications Act, as Amended by the 1996 Telecommunications Act (the Act), does not include Tribal governments, or acknowledge tribal sovereignty, self-determination and the federal trust responsibility; and

WHEREAS, the Act does not acknowledge the inherent sovereign right of tribal governments to regulate telecommunications on tribal lands; and

WHEREAS, the absence of tribal governments and the lack of acknowledgement of tribal sovereignty, self determination and the federal trust responsibility in the Act has put in place a mechanism for infringing upon the sovereignty of tribal governments, the public interests of tribes and the consumer rights of Native Americans living on tribal lands; and

WHEREAS, the absence of tribal governments and the lack of acknowledgement of tribal sovereignty, self determination and the federal trust responsibility in the Act has engendered regulatory instability and ambiguity, posing numerous barriers to deploying critical telecommunications infrastructure and services and resulting in numerous cases of dispute and litigation; and

WHEREAS, the United States Congress is in the process of redrafting, and or, amending the Act; and

WHEREAS, there is a unique opportunity during the redrafting, and or, amending of the Act for the United States Congress to ensure that tribal governments are included in the Act, and that tribal sovereignty, the right of tribal governments to regulate telecommunications on tribal lands, self-determination, and the federal trust responsibility are appropriately acknowledged; and

WHEREAS, it is crucial that tribal governments, tribal government representatives, tribal leaders, intertribal organizations, such as NCAI, and Native American organizations play an active role to ensure that tribal governments be included in the Act, and that tribal sovereignty, the right of tribal governments to regulate telecommunications on tribal lands, self-determination, and the federal trust responsibility be appropriately acknowledged in the Act.

NOW THEREFORE BE IT RESOLVED, that the NCAI does hereby support that tribal governments be included in the Act, and that tribal sovereignty, the right of tribal governments to regulate telecommunications on tribal lands, self-determination, and the federal trust responsibility be appropriately acknowledged in the Act; and

BE IT FURTHER RESOLVED, that NCAI does hereby commit to work with tribal governments, tribal government representatives, tribal leaders, intertribal organizations and Native American organizations to ensure that tribal governments be included in the Act, and that tribal sovereignty, the right of tribal governments to regulate telecommunications on tribal lands, self-determination, and the federal trust responsibility be appropriately acknowledged in the Act; and

BE IT FURTHER RESOLVED, that this resolution shall be distributed to all tribal government legislative bodies and Indian Country information and telecommunications technology stakeholders; and

BE IT FURTHER RESOLVED, that NCAI does hereby request the Executive Committee to authorize the creation of a Tribal Telecommunications Taskforce to draft a Tribal Title for inclusion in the re-write of the Telecommunications Act of 1996; and

BE IT FINALLY RESOLVED, that this resolution shall be the policy of NCAI until it is withdrawn or modified by subsequent resolution.

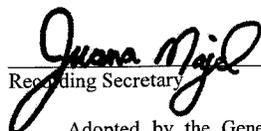
CERTIFICATION

The foregoing resolution was adopted at the 2005 Annual Session of the National Congress of American Indians, held at the 62nd Annual Convention in Tulsa, Oklahoma on November 4, 2005 with a quorum present.



President

ATTEST:



Recording Secretary

Adopted by the General Assembly during the 2005 Annual Session of the National Congress of American Indians held from October 30, 2005 to November 4, 2005 at the Convention Center in Tulsa, Oklahoma.

NATIONAL CONGRESS OF AMERICAN INDIANS



The National Congress of American Indians
Resolution #TUL-05-109

TITLE: Statutory Changes to the Communications Act for Telecommunications Service to Tribal Communities

EXECUTIVE COMMITTEE

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Ohkay Owingeh
(Pueblo of San Juan)

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WHEREAS, we, the members of the National Congress of American Indians of the United States, invoking the divine blessing of the Creator upon our efforts and purposes, in order to preserve for ourselves and our descendants the inherent sovereign rights of our Indian nations, rights secured under Indian treaties and agreements with the United States, and all other rights and benefits to which we are entitled under the laws and Constitution of the United States, to enlighten the public toward a better understanding of the Indian people, to preserve Indian cultural values, and otherwise promote the health, safety and welfare of the Indian people, do hereby establish and submit the following resolution; and

WHEREAS, the National Congress of American Indians (NCAI) was established in 1944 and is the oldest and largest national organization of American Indian and Alaska Native tribal governments; and

WHEREAS, Tribal communities are the last communities to be served in America; and

WHEREAS, Tribal governments are not fully included in telecommunications policy deliberations affecting them; and

WHEREAS, the Federal Communications Commission's Tribal Policy Statement has not been clarified or fully implemented; and

WHEREAS, Tribal communities are disparately underserved among all American communities and the Federal government needs to enforce the Communications Act mandate to provide universal service to all communities, without discrimination; and

WHEREAS, the Communications Act requires service to "unserved areas" but does not define what an "unserved area" is; and

WHEREAS, the Communications Act calls for regulatory authorities to act to serve the "public interest" but the "public interest" is not defined and tribal communities are not part of any defined "public interest;" and

WHEREAS, most tribes do not have sufficient information or resources to be able to decide and plan for their telecommunications future; and

WHEREAS, there is presently a lack of clarity as to the forum in which a tribe may seek eligible carrier status; and

WHEREAS, Tribal governments that purchase telecommunications facilities from large incumbent carriers inherit the same restricted regulatory status as the seller and are thus barred from attaining critical universal service high cost loop support that other legacy carriers enjoy; and

WHEREAS, the Universal Service Fund is the most important revenue source to a rural telecommunications carrier; and

WHEREAS, the wireless spectrum is public property that the Federal government converts to private property to deploy telecommunications service; and

WHEREAS, the private ownership of wireless spectrum over Indian lands does not enable tribal communities to own or to access radio spectrum; and

WHEREAS, the preservation of universal and public access to spectrum over Indian lands will enable tribes to use the spectrum to meet public, homeland security and safety needs; and

WHEREAS, tribal communities have a right to receive parity of telecommunications services with non-Indian communities; and

WHEREAS, individuals, entities, tribal governments, state governments or any other entity should be able to present findings in a regulatory proceeding that an ETC incumbent carrier has not provided fair and reasonable service to a tribal community; and

WHEREAS, a finding by a regulatory authority that an Eligible Telecommunications Carrier (one that receives Universal Service funding) serving a tribal community has failed to abide by the requirements of the Communications Act or has discriminated against a tribal community should cause that carrier to lose its authority to receive universal service support or any other federal or state government support, benefit or credit given to the carrier; and

WHEREAS, a tribal community, that is found to be the victim of discrimination by or the failure by the Eligible Telecommunications Carrier (ETC) to comply with the Communications Act's requirements, should be able to choose which new provider should be the ETC to serve the tribal community.

NOW THEREFORE BE IT RESOLVED, that the NCAI does hereby support the following and attached provisions for statutory changes to the Communications Act for Telecommunications Service to tribal Communities; and

BE IT FURTHER RESOLVED, that this resolution shall be the policy of NCAI until it is withdrawn or modified by subsequent resolution.

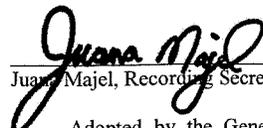
CERTIFICATION

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Joe Garcia, President

ATTEST:



Juan Majel, Recording Secretary

Adopted by the General Assembly during the 2005 Annual Session of the National Congress of American Indians held from October 30, 2005 to November 4, 2005 at the Convention Center in Tulsa, Oklahoma.

Communications Act Changes to Meet Tribal Needs

- 1) *Recognize the needs of Indian Tribes and the Federal Responsibility to Tribes in the Communications Act and acknowledge the authority of tribal nations to choose the appropriate forum for carrier approval.*

Issue: Tribal communities are the last communities to be served. In addition, tribal governments are not included in telecommunications policy deliberations affecting them.

Amend: the Communications Act—mission statement—to include Indian sovereign nations in the coverage of the Act; expressly state the United States' trust responsibility to Indian sovereign nations and communities under the Communications Act; and amend section 214(e)(6) to permit tribal nations to choose the appropriate forum for Eligible Telecommunications Carrier approval.

Reason: The FCC has not made a priority of connecting tribal communities nor solved the disparity of services to tribal communities. If the trust responsibility to tribes were clarified, and if tribes were participants in policy decisions that impact their communities, tribes may finally attain access to telecommunications service. In addition, all tribes should be able to choose the appropriate forum for regulation, in keeping with their sovereign status.

- 2) *Target telecommunications service, support and federal incentives at "unserved areas", thereby serving tribal communities, as required by the "public interest" mandate of the Communications Act.*

Issue: Tribal communities are disparately underserved among all American communities. The Federal government needs to deliver on the Communications Act mandate to provide universal service to all communities, without discrimination.

Amend the Act to Define "unserved areas" as: 15% below nationwide service penetration average for that service or 5% below nationwide rural area service penetration average for that service, or the higher of the two averages. And, require the FCC to target services to "unserved areas" or tribal communities as part of the regulatory guideline for serving and protecting the "public interest".

Reason: The Communications Act of 1934 mandates providing telecommunications service to all Americans at reasonable and affordable rates, with parity of service provided to urban areas. Up to 30% -40% of tribal communities do not have voice service and up to 95% of tribal communities do not have broadband service essential for participation in the mainstream economy. Under current state and federal regulatory frameworks, tribal and rural communities will remain "un-served." This provides a trigger for Federal action.

- 3) *Provide resource support to tribes to plan for tribal telecommunications needs and learn about tribal options.*

Issue: Most tribes do not have sufficient information or resources to be able to decide and plan for their telecommunications future.

Proposal: Create authority to permit loans to be used for feasibility and assessment studies for building or upgrading a tribal telecommunications infrastructure, and provide resources for educational seminars for tribes to learn how to meet their telecommunications needs.

Reason: tribes need to learn how telecommunications can be the platform upon which all tribal services, economic development and social services can be delivered. Understanding the specific

needs of a community, including the right telecommunications services for the tribe, requires planning and assessment. Many tribes cannot afford this crucial planning and feasibility study.

- 3) ***Remove a crucial regulatory barrier to tribes starting their own telecommunications services by allowing tribes universal service high cost support that other independent carriers enjoy.***

Issue: Small rural (tribal) carriers that purchase their facilities from large incumbent carriers (mainly Regional Bell Operating Companies) inherit the same restricted regulatory status as the seller—barring them from attaining vital universal service high cost loop support.

Proposal: Permit tribal governments purchasing facilities on their reservation from large incumbent carriers to be eligible for universal service high cost loop support.

Reason: the high cost loop support of the Universal Service Fund is the most crucial revenue source enabling telecommunications carriers in rural markets to sustain their operations. Current rules permit some construction costs to be recaptured, but does not provide the same revenue support that rural providers established before May 1997 enjoy. This fix—access to support that legacy companies receive—will enable tribes to serve themselves as a tribal enterprise. Not fixing this provision makes it impossible for tribes to operate their own services.

- 5) ***Protect the Universal Service Fund and eliminate inefficient use of the Fund:***

Issue: There are many inefficiencies and waste in the Universal Service Fund (USF). To ensure that the Fund is targeted to hard-to-serve and high-cost service communities, we need to apply good government and efficiency principles.

Amend: the Act to increase scrutiny of how the Fund is being used, ensure parity of requirements and contributions, and eliminate waste in the Fund.

- A) Require contribution into the Fund by all who use the Public Service Telecommunications Network (PSTN) system
- B) Permit fund support only to service providers that contribute to the USF
- B) Hold all carriers, regardless of technology, to the same carrier requirements and standards of reliability
- C) Target and prioritize “unserved areas” for connectivity: permit new Competitive Eligible Telecommunications Carriers (CETCs)—those seeking USF monies where tribally owned operated or authorized services are already provided—to serve only “unserved areas” to avoid overlap of funding to carriers trying to serve the same areas or serving customers already connected;
- D) When serving “unserved areas” hold all carriers or providers who receive support funding or regulatory benefits, e.g. Tribal Bidding Credits, to concrete service outcomes, based on customers actually connected;
- E) Assess what portion of USF funds are reinvested in the same service area as the allocations were derived from;
- F) Require all carriers to use only real and actual infrastructure costs to be used for USF cost calculations

Reason: The Universal Service Fund is the primary source of revenues enabling rural exchange carriers to serve the high-cost rural markets. The job of reaching “unserved areas” in rural communities is not done. Yet the fund is over-extended and newer demands and services are being placed on the Fund. We need to ensure that all providers that receive support from the fund

pay equitably into it and we need to eliminate any disparity of requirements or outcomes between differing technologies and providers. We need to re-affirm the principle that scarce universal service funds should be targeted (prioritized) for "unserved areas" of the country, not permit overlap of its use by funding competing USF carriers trying to serve the same customers, or fund new CETCs to serve those customers already connected. Those receiving USF funding or government credits must show actual connectivity to continue to receive benefits.

- 6) *Give Tribes the Equal Opportunity to Own and Operate Spectrum Services by permitting the same public financing to tribes for wireless services that rural wireline providers enjoy.*

Issue: The key to rural provision of telecommunications services is managing the economics of operating services and finding financing for business startups. The Department of Agriculture's Rural Utility Service loans were essential to the proliferation of rural local exchange services. Yet in the wireless arena, there is no public source of financing for or public ownership of spectrum services for spectrum allocations.

Amend: the Communications Act to authorize loans for tribal governments to borrow public funds to purchase licenses in spectrum auctions to serve their tribal communities.

Reason: Spectrum is the gateway for many future telecommunications services and for many innovative uses of technology. RUS is a public financing source for purchase of wire-line facilities and regulatory territories. However, there is no similar public financing for the purchase of wireless spectrum in auctions. Only deep-pocketed private sector providers purchase spectrum and hold spectrum licenses. We think that tribal communities, with their lack of connectivity in predominantly "unserved areas", need ownership options to manage connectivity for their communities.

- 7) *Protect tribal universal access to spectrum by keeping future spectrum on tribal lands public so all can use it.*

Issue: Tribal communities comprise most of the "unserved areas" of America, with the least access to telecommunications services. Each deployment of radio spectrum licenses public property for private use—through the auction of licenses. In the new medium, many new technologies and innovations will emerge. However, each radio spectrum auction further bars access of tribes to the outside world and precludes spectrum use for critical tribal needs.

Amend: the Communications Act—invoking the Act's new tribal trust responsibility—to reserve spectrum over tribal areas as public property, keeping "open spectrum areas" for public--and tribal--use.

Reason: We need to change the telecommunications regulatory environment to give tribal and rural communities a chance at connectivity. Under current rules, the most precious public spectrum are taken out of the public domain for private profit and private use. In Tribal cultures, this violates the sharing of public resources. At this important juncture, the allocation of new medium can provide connectivity and new hope for the least-served Americans. If spectrum over tribal rural communities continues to be sold to private high-bidders, tribes will remain unconnected to the outside world and few tribes would be able to own spectrum services. By keeping spectrum public for universal access by tribal communities, tribes can reinforce the stewardship of public resources. Reserving spectrum on tribal lands for use by all users and

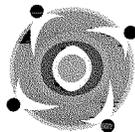
providers, the world may dramatically change for tribal communities. Reserving public spectrum on tribal lands will also enhance the deployment of homeland security and public safety networks.

8) *Protect tribal consumers in “unserved areas” by sanctioning Eligible Telecommunications Carriers that fail to meet the Communications Act’s requirements and give tribes an option to choose alternate providers for the tribal community.*

Issue: Rural customers and tribal communities remain “unserved.” This is a violation of the Communications Act to provide parity of service or connectivity with urban areas. Carriers or companies receiving universal service support or Federal regulatory benefits or credits must be held to the Act’s mandates to connect “unserved” communities. Failure to meet the Act’s requirements—based on outcome assessments—should trigger options for a tribal community in “unserved areas” to choose an alternative service or a competitive provider.

Amend: the Communications Act to: 1) enable private parties or any party of interest to challenge the performance of ETC’s in “unserved areas.” And, 2) upon proof of failure of the carrier to meet the Act’s requirement to provide “fair and affordable rates” or parity of service to that “unserved area”, the FCC or state shall terminate the ETC status of the carrier; and 3) permit the community to choose an alternative ETC provider and cause the FCC to issue a certificate of convenience (to serve the “public interest”) to the new carrier; and 4) receive the same support or Federal benefit the predecessor enjoyed serving that tribal “unserved area”.

Reason: In rural areas, universal service funding is the essential revenue source for rural telecommunications carriers to operate a business. In addition, many service companies are receiving Federal regulatory credits, benefits or rebates, an important advantage for providers competing in rural markets. When a carrier receives universal service funding or federal benefits, failure by that carrier to meet the Communications Act’s mandates to serve an “unserved area” or upon proof that a provider has discriminated against a community in an “unserved area”, the carrier should lose the support funding or return the regulatory benefits it has received. Moreover, tribal communities or customers in an “unserved area” ought to have a choice of an alternative carrier or means of service meet the needs of that community in the “unserved area”. The new provider or service ought to enjoy the same level of support or Federal benefits provided to the predecessor.



NFECC NATIVE
FINANCIAL
EDUCATION
COALITION

Native Financial Education Coalition Policy Brief

April 2006

The diverse Native communities in the United States are generally among the nation's poorest communities. Many American Indians, Alaska Natives, and Native Hawaiian people experience severe poverty and the resultant dependence on public assistance. From reports in the national media, the average American might assume that Indian gaming has 'solved' the multi-generational challenges of poverty in Native communities. However, gaming has been a boon to only a small number of tribes and, like many communities of color, Native people regardless of income (even if their governments own profitable enterprises) are often 'asset poor' and lack the basic resources to protect their financial future.

This policy brief highlights the critical role that financial education plays in the future of Native America and the prosperity of the country as a whole. Through focusing on the following five policy priorities and related recommendations, the federal government can partner with Native communities to lay a lasting foundation for the future prosperity of rural communities across the United States.

POLICY PRIORITY 1: Funding and Access for Institutions to Deliver Financial Education Services

Most Native communities lack the nonprofit infrastructure that delivers the financial education services taken for granted in non-Native communities. The absence of mainstream financial services in our communities adds to the challenges associated with developing financial management skills. In spite of these barriers, Native Community Development Financial Institutions (NCDIFs), Indian housing authorities, tribal departments, and other organizations have begun to step into the breach and develop effective financial education programs.

Recommendations

- #1 Increase funding for the CDFI Fund at the U.S. Department of the Treasury and increase the Native set-aside to support the important role of NCDIFs in delivering basic financial services and financial education in Native communities.
- #2 Acknowledge the 'quasi-501(c)3' role played by Native nonprofits, housing authorities and tribal agencies by amending federal law and regulations to allow access to federal funds that are currently used by non-Native 501(c)3 organizations.

POLICY PRIORITY 2: Youth Financial Education

Native children face similar challenges associated with low rates of financial literacy that exist for young people as a whole, regardless of income, race, or other socioeconomic characteristics. Youth is also a rapidly growing segment of the Native population that is vulnerable to the challenges of poverty but offers a unique opportunity to invest in a financially secure future for Native America. Research has shown that investments in youth financial education are likely to carry through into adulthood and that mandatory financial literacy classes result in youth who are more knowledgeable and confident in their money management skills and demonstrate higher savings rates and net worth as a percentage of income.

Recommendations

- #1 Support vehicles, like Children's Savings Accounts, that encourage young people to develop financial skills and save for durable assets.
- #2 Provide adequate funding for schools and other programs to develop and implement youth financial education that is culturally appropriate and effective in imparting pertinent financial management lessons.



POLICY PRIORITY 3: Individual Development Accounts (IDAs)

Individual Development Accounts (IDAs) are matched savings vehicles that have already helped hundreds of Native people to gain financial management skills and save for and purchase assets, such as a home, small business, and post-secondary education. IDAs are a proven model that lacks adequate funding. Additionally, the only dedicated federal funding source, the Assets For Independence (AFI) program, explicitly denies access to tribal governments, unless tribes partner with nonprofits.

Recommendations

- #1 Amend federal law to allow and encourage both tribal government agencies and Native nonprofit organizations to apply directly for IDA funding, and directly deliver IDA programs to Native communities.
- #2 Follow the lead of other successful federal and state asset-building policies by creating a Native set-aside in AFI, or other appropriate federal program, to more effectively serve the needs of Native communities.



POLICY PRIORITY 4: Predatory Lending

The geographic remoteness and cultural uniqueness of many Native communities mean Native people are often unprepared to deal with predatory lending practices. Research by several Native and non-Native research centers has shown Native people to be among the most vulnerable populations when it comes to predatory mortgage lending, payday lending, and predatory tax preparers. Predatory lending in towns adjacent to Native communities raises jurisdictional issues that require strong federal legislation that still allows tribes to work with states in formulating locally appropriate regulations.

Recommendations

- #1 Enact strong anti-predatory lending legislation that protects all borrowers but allows tribal and state jurisdictions to regulate practices that specifically threaten their communities.
- #2 Support comprehensive financial education programs so Native people receive adequate information to avoid predatory lending practices.



POLICY PRIORITY 5: Earned Income Tax Credit (EITC) and Free Tax Preparation Programs

The EITC, a federal income tax credit that benefits low-income workers, can reduce the amount of tax an eligible individual owes and may be returned in the form of a refund. It has been an effective tool in assisting families out of poverty, paying debts, and seeding savings, by offering a "teachable moment" for individuals to access financial education. Unfortunately, many Native families and individuals do not claim the EITC because they do not know about it. And, if they do claim it, they are more than twice as likely as the general population to use a paid, commercial tax preparation company. Many of these companies charge inflated fees and offer high-interest rapid refunds called Refund Anticipation Loans (RALs), resulting in a significant reduction in the amount of the refund received by the taxpayer.

Recommendations

- #1 Give funding priority to support Native EITC awareness campaigns and free tax preparation programs such as Volunteer Income Tax Assistance, Low-Income Tax Clinics, and Tax-Counseling for the Elderly.
- #2 Enact legislation to provide consumer protections against the practice of issuing high-cost RALs.



Native Financial Education Coalition

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A more detailed fact sheet on each of the policy priorities is available at www.nfec.info/policy. These policy recommendations reflect the views of the NFEC, but may not reflect the official position of all of its members.

**SENATE COMMITTEE ON INDIAN AFFAIRS
HEARING ON ECONOMIC DEVELOPMENT
MAY 10, 2006
TESTIMONY OF TEX G. HALL, CHAIRMAN
INTERTRIBAL ECONOMIC ALLIANCE**

Dosha. Chairman McCain, Vice Chairman Dorgan and members of the Committee. Thank you for inviting me to testify at this hearing – a hearing that I believe could be remembered as one that initiated a new economic beginning for Indian country. My name is Tex Hall, chairman of the Mandan Hidatsa and Arikara Nation. I am here today in my capacity as chairman of the Intertribal Economic Alliance (ITEA), an intertribal organization established in 2001 by a group of Tribal, Alaska Native and Native Hawaiian leaders. ITEA's sole mission is to create businesses and jobs in those tribal, Alaska Native and Native Hawaiian communities that, after all these years, continue to suffer from unacceptably high unemployment rates.

Over the years, there have been numerous taskforces, commissions, reports and hearings on Indian economic development, but Indian unemployment on too many reservations remains over 60%, and the effects of that unemployment are with us every day – suicides, alcohol and drug abuse, family problems, and a pervading sense of hopelessness, particularly among our youth. We cannot permit this situation to be passed on to yet another generation. We have to solve it now. But we have learned over the past 150 years that this problem will not be solved through commissions, piece-meal steps or a business-as-usual approach. The work that people such as Lance Morgan and Elsie Meeks have done in their communities is nothing short of miraculous, but the problem will not be solved until there is a national attack on Indian unemployment. The message I bring to the Committee today is that it is time to stop studying economic development and time to start taking comprehensive, focused ACTION to eliminate this problem. To do this, ITEA has developed a strategic plan for creating 200,000 Reservation jobs. I am here today to ask the Committee on Indian Affairs to become our partner in making this plan a reality.

Over the past four years ITEA has developed and successfully used new approaches to create sustainable businesses and jobs in Indian country. I am pleased to see Quanah Stamps and Jim Cason at today's hearing because they have helped us get our initiatives off the ground. The success of these initiatives tells us that we can

create sustainable businesses and jobs, even in the most remote Native American communities.

Under ITEA's first initiative, we created reservation jobs in the information technology sector, since IT is work that can be carried out in remote locations and since so many of our young people are skilled in IT. At the request of ITEA and ten tribes that were the founding members of ITEA, Senators Inouye and Stevens put \$34 million in the FY 03 Defense appropriations act for a contract to tribal IT firms for the digitizing of DOD tech manuals. ITEA and the ten tribes then created the first multitribal company to serve as the prime contractor for the \$34 million DOD sole source 8(a) contract. That multitribal company, the Intertribal Information Technology Company, (IITC) subcontracts the actual digitizing work to tribally-owned IT companies owned by those ten tribes, so the jobs are being created right on the reservations. (See IITC organizational chart at Attachment A.) These companies are located in some of the most remote locations in the country—from the middle of the Bering Sea, to Zuni, New Mexico. In fact, Senator McCain, when you and several other Senators visited Barrow, Alaska this past summer, I believe you had an opportunity to tour one of the IT companies involved in this initiative, operated by UIC, the village corporation for Barrow.

Since FY 03, the DOD contract to IITC has grown to \$80 million and the number of tribal IT firms has grown to 12. These companies have created a total of 300 sustainable IT jobs in their 12 communities. Most of these employees are young people who are now able to live at home, maintain our culture, and hold meaningful and upwardly mobile jobs in an exciting industry. These employees talk about how, for the first time in their lives, they have hope for the future.

DOD officials reported that the quality of work being produced by the tribal firms is as high as anything they have seen and that electronic manuals are already at work in Iraq, saving time and money in the repair and maintenance of military equipment. I emphasize this to show that the IT initiative, while creating 300 jobs in remote communities, is not a make-work program; it is work that is contributing to the security of the United States and helping our warfighters.

What we learned from this initiative is that a multitribal company serves as a valuable superstructure that is able to provide critical support to businesses located in remote communities. IITC provides overall contract management, provides technical support to the 12 tribal IT firms, and recruited and supervises the two mentor firms that have helped to train the 300 employees. As the prime contractor, IITC has the clout to ensure those 12 tribal companies perform on their subcontracts, but as a company owned by tribes, it also has the mission of doing everything it can to help

those firms perform successfully. Also, with assistance from the tribal leaders who serve on the board of ITEA, IITC is able to help shield those tribally-owned companies from local political interference that sometimes undermines reservation-based businesses. As a result, under this multitribal structure, not a single one of those 12 firms has failed.

Seeing the benefits the multitribal approach has produced, our good friend Senator Inouye challenged ITEA to develop a comprehensive strategic plan to create 200,000 jobs on reservations, using the multitribal approach as the backbone of the plan. We spent the last year doing that. The Plan adopts an entrepreneurial strategy that focuses on creating sustainable business involving work that can be performed on reservations. To create a critical mass of business activities on reservations, the Plan calls for the creation of ten additional multitribal companies, in such business sectors as construction, manufacturing, natural beef, and health care services. ITEA has already created several of these multitribal firms and is in the process of standing them up.

The Plan also relies on the use of the special 8(a) rights that Congress has provided to tribes and ANCs to obtain large sole source Federal contracts. While these rights have been an area of controversy recently, the success of our multitribal IT company demonstrates what a powerful tool those 8(a) rights can be for creating jobs on impoverished reservations. ITEA believes that the Federal government has an obligation to help jumpstart reservation businesses, and the most effective way to do that without the need for huge new appropriations is for Federal agencies to use the 8(a) program to award contracts to tribal firms that involve work that can be performed on or near reservations, as was done with the contract to digitize tech manuals.

In addition to job creation through the use of the multitribal approach, the Plan has three other components: (1) A MultiTribal Enterprise Fund, to be capitalized through investments by successful gaming tribes, to provide equity capital and loans for reservation economic development, (2) education and training, and (3) an employee support network.

A Plan like this is always a work in progress. For example, just last month, ITEA launched the Multitribal Logistics Company, which will provide improved air ambulance services to reservations, something that was not even on our radar screen when we drafted the Plan last year. Nor is this a solo act by ITEA. We are eager to get input from all of those in Indian country, Congress, the Federal agencies, the private sector and academia who have been involved in economic development. However, we need to get started now, even while this other input is being obtained

and that is the key – WE MUST GET STARTED NOW. We cannot afford to wait while some commission or taskforce spends three years preparing a report.

My understanding is that this is the first comprehensive plan for attacking unemployment on reservations that was developed by Indian country and is being led by Indian country. However, to get started effectively, we need the assistance of this Committee to help us bring on board the Executive Branch, the private sector and other key players identified in the Plan, and help us to identify ways to bring together the resources needed for the Plan to succeed. I am therefore using this hearing to request that the Committee become our partner on this Plan –that we move forward together on what promises to be one of the most promising and constructive initiatives ever.

While the Plan requires that the Federal government provide additional resources, the Plan was designed so it would not be a budget-buster, relying wherever possible on existing resources, such as targeting Federal procurement contracts that can create jobs on reservations.

I would like to quickly summarize the four components of the Plan. They are:

1. Job Creation – As indicated, the backbone of the job creation component is the creation of multitribal firms that will help to develop reservation-based firms in that business sector, replicating the successful Intertribal Information Technology Company approach. We recognize that the multitribal business approach is not the only way to create businesses on reservations and that there is a need to tap all of those other ways. But the multitribal approach is a proven one and will enable us to get started quickly on the 200,000 Jobs Initiative and build momentum through some early successes.

To provide an example of what is proposed in the portion of the Plan addressing job creation, the plan calls for the establishment of a Multitribal Forest Restoration Company as one of the ten new multitribal companies. Indian fire fighters are the backbone of the U.S. Forest Service's fire fighting operation and they are renowned for their hard work and courage. The sad fact is that when the fire season is over, most of the Indian fire fighters go back to their reservations and are unemployed for the rest of the year. Yet, at the same time, BLM and the Forest Service are spending half a billion dollars a year on forest thinning under President Bush's Healthy Forest Initiative. Forest thinning involves many of the same skills used in fire fighting, so we have a trained workforce available to work on the Healthy Forest Initiative.

Through the Multitribal Forest Restoration Company, which ITEA is presently in the process of standing up, the goal is to establish reservation forest restoration business that will create several thousand year-round jobs for those Indian fire fighters who will fight fire in the summer and thin forests the rest of the year. Once again, we are not talking make-work; we are talking about jobs that contribute to the safety of our towns and cities and that carry out one of the President's priority initiatives. However, to succeed we will need help from Congress, BLM and Forest Service. The Plan sets out the assistance we will need from each.

2. **Equity Capital and Loan Funds** – The second component provides capital for reservation economic development. One of ITEA's most exciting initiatives is our creation of the MultiTribal Enterprise Fund. ITEA will be encouraging the successful gaming tribes to invest up to 1% of their revenues in this Fund, which provides them with a national, multitribally-owned financial institution and a structured program for helping the tribes that have not benefited from gaming. I am pleased to report that NIGA has agreed to help ITEA launch this plan and solicit support from its members. With assistance from the BIA, ITEA has created the legal framework for such a fund. In the coming months, we will be visiting the successful gaming tribes to encourage them to agree to invest 1% of their revenues in the Fund each year for ten years. We believe there are good business opportunities on and near reservations that can both create jobs and provide the investing tribes with a good return on their investment. The Fund will be managed by Native Americans who are knowledgeable in reservation business development and financing and will be mentored by Wachovia Bank, the third largest bank in the country.

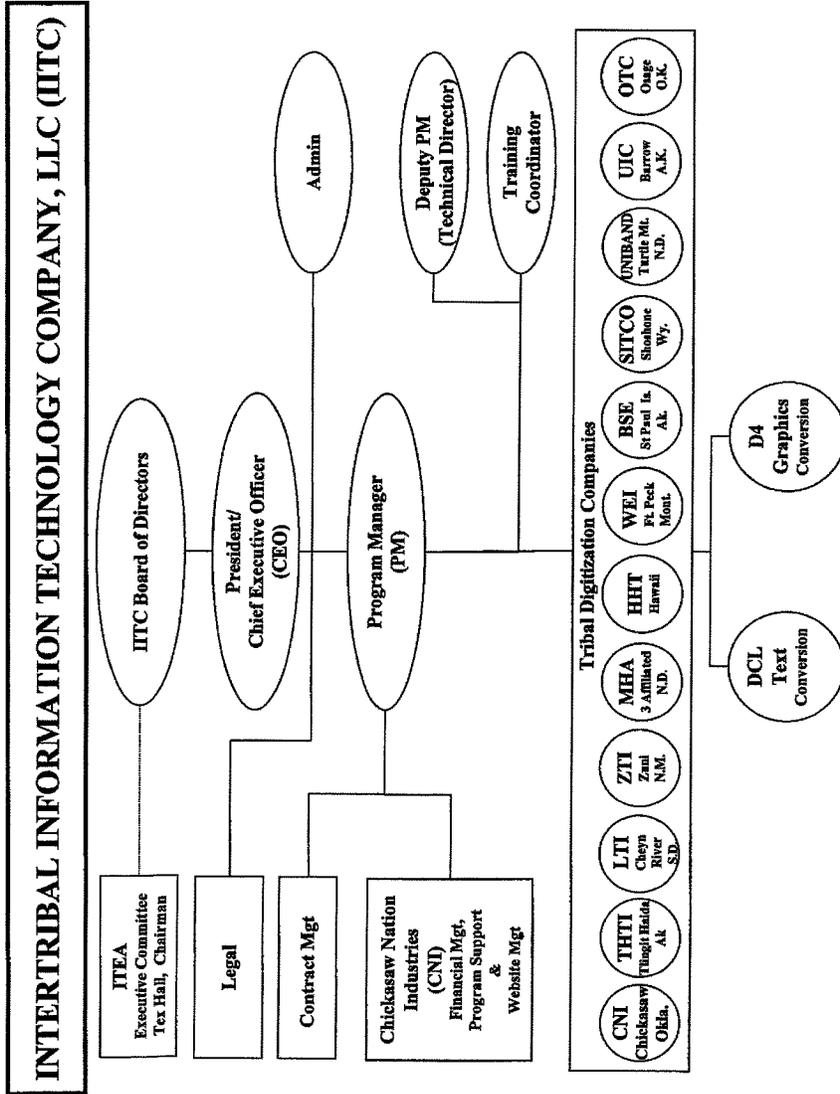
3. **Training and Education** – The third component is Training and Education, something that is very important to me as a former teacher. We need to coordinate the many different job training and education programs to ensure they are focused on preparing our people for the jobs that will be opening up when the new businesses are started on the reservations. We then need to assist those incumbent employees to develop additional skills so they can move up the career ladder in their industry. For example, we are now exploring training programs to assist the IT employees doing the digitizing work to move up the ladder to be computer programmers and network integrators.

4. **An Employee Support Network** – The final component is an Employee Support Network. With funding from ANA, ITEA will be working

with tribes to develop employee support networks to help the employees of these businesses to be successful. It is not easy being an employee in remote reservation settings. If your car breaks down, you cannot take the Metro to work; if your babysitter fails to show up, you cannot drop your child at a day care center down the block. The Employee Support Network will work with tribes to put in place programs that will address these kinds of problems and thereby promote a stable workforce at the new businesses.

That briefly summarizes the four components of our Plan. ITEA believes the Plan can succeed, but it will require a cooperative effort by many participants – Congress, the Executive Branch, the private sector, the many Indian organizations devoted to economic develop and academia. As the first step in making this happen, I respectfully request that the Committee agree to become our partner in helping make the Plan a reality, using the tremendous respect its members have in so many circles to help us reach out to the Executive Branch, to the private sector and to the other members of Congress in order to encourage them to join with us in implementing this Plan. We have provided copies of the Plan to your staff. If the Committee agrees to work with ITEA, we think the first step would be to sit down with your staff and develop recommendations on how best to move forward.

Mr. Chairman and members of the Committee, there is an old saying: “If not now, then when, if not us, then whom”. The economic distress on so many of our reservations has been with us for far too long. The elimination of Indian unemployment needs to begin now and it needs to begin with us. I look forward to working with you on this endeavor.



INTERTRIBAL INFORMATION TECHNOLOGY COMPANY, LLC (IITC)

PREPARED STATEMENT OF HON. TIM JOHNSON, U.S. SENATOR FROM SOUTH DAKOTA

Thank you Chairman McCain and Vice Chairman Dorgan for holding a hearing on this important issue. I would also like to extend a special welcome to Elsie Meeks of the Oglala Sioux Tribe in South Dakota, we're glad you are here and I look forward to your testimony.

The development of reservation economies is of the utmost importance to both the Indian and non-Indian constituents in my State. I recently proposed a comprehensive economic development initiative called "The Hometown Prosperity Plan," which focuses on the specific needs of both tribal and rural communities.

In conjunction with this initiative I recently conducted a tribal listening session on tribal economic development and had an opportunity to hear from several tribal chairmen, presidents, and business leaders. The general consensus among those in attendance was that the greatest impediments to development in Indian country were the lack of access to capital and inadequate infrastructure development.

As our witness will probably agree, the Community Development Financial Institutions, Community Development Block Grants, and USDA Rural Development programs have been useful to address these concerns but need continued support from Congress.

Also, a bill I have introduced, the Native American Small Business Development Act, would create three grant programs to promote new Native American-owned businesses and establish a permanent Office of Native American Affairs within the U.S. Small Business Administration. I appreciate the bipartisan support this bill has received and will continue in my efforts to pass the legislation.

Several of the tribal leaders who spoke at the listening session also brought up the fact that many impediments to economic development can only be properly addressed by tribes themselves. The tribal leaders I spoke with emphasized their responsibilities to build stable governments, educate their youth, and maintain responsible government relationships as sovereign entities.

Economic development is not just a tribal responsibility or Federal responsibility, but a partnership. The entire country benefits when reservation economies grow and become self sufficient. In my State, as is common across the country, reservation communities are often considerably worse off financially than non reservation communities of similar sizes. The history of Federal Indian policy is largely to blame for these discrepancies.

The obvious difference between comparable reservation and non reservation communities in the Great Plains is that reservation communities lack the private sector development that exists off the reservation. The money that comes into the community rarely turns over before it leaves the reservation. At my listening session President Bordeaux of the Rosebud Sioux tribe, estimated that 85 percent of the \$130 million in wages paid annually leaves the reservation without ever turning over because there are simply not enough places to spend money on the reservation.

I know many of the witnesses here today have worked hard to address these problems and as Congress proceeds I think consultation, such as at this hearing, is essential. Ill conceived Federal Policies of the past, some of which still exist, are significantly responsible for the lack of opportunity in Indian country. I feel the best way to avoid the mistakes of the past is through meaningful consultation, and as today's witnesses demonstrate there is a strong determination to put these ideas into action.

These are challenging issues to address and they rarely have easy answers so again I would like to thank Chairman McCain and Vice Chairman Dorgan for calling this hearing and I look forward to the testimony. Thank you,

Before the
United States Senate
Committee on Indian Affairs

Oversight Hearing on Economic Development

Statement of

Dr. Miriam Jorgensen

Research Director
Harvard Project on American Indian Economic Development, Harvard University
and

Associate Director for Research
Native Nations Institute, The University of Arizona
May 10, 2006

INTRODUCTION: THE HARVARD PROJECT ON AMERICAN INDIAN ECONOMIC DEVELOPMENT

Thank you for the opportunity to appear today. My name is Miriam Jorgensen and I am Research Director of The Harvard Project on American Indian Economic Development. I also serve in a parallel position at the Harvard Project's sister program, the Native Nations Institute for Leadership, Management and Policy, part of the Udall Center for Studies in Public Policy at the University of Arizona.

For nearly twenty years, I and my colleagues at the Harvard Project on American Indian Economic Development have been focused on a central research question: Why is it that, amidst the well-documented and widespread poverty and social distress that characterize American Indian reservations overall, an increasing number of Native nations are breaking old patterns and building economies, social institutions, and political systems that work? From the dotcom and retail industries of Ho-Chunk, Inc. (the economic development corporation of the Winnebago Tribe of Nebraska) to the manufacturing-based enterprises of the Mississippi Band of Choctaw Indians, from the sustained energy-based development of the Southern Ute Tribe to the bootstrapped gaming economies the Muckleshoot Indian Tribe and Fond du Lac Band of Lake Superior Chippewa, we are

seeing jobs created, social problems addressed, and lives built and rebuilt on Native nations' own terms. At the same time, unemployment and attendant social and physical health maladies remain entrenched at places like Pine Ridge and San Carlos Apache. What explains the stark differences in development we now see across Indian Country?

Since the mid-1980s, the Harvard Project has worked closely with Native nations and their leaders and decisionmakers to understand the reasons for these differences. Of course, we knew from the start that Indian Country did not need another group of university researchers sticking their noses into tribal affairs without providing anything of use to Native communities. Accordingly, we run a number of programs designed to get at the research questions at the heart of the Project *and* to channel what is learned back to those who must deal daily with the challenges of improving reservation economies and social conditions.

Toward these ends, Harvard students (particularly graduate students in public policy and administration at the John F. Kennedy School of Government) have produced more than 350 field research reports on matters requested by tribes and tribal organizations. The topics addressed in these projects range from judicial reform at the Hualapai Nation to ski resort management at White Mountain Apache, and from bison ranching by the Cheyenne River Sioux Tribe to welfare reform at the Navajo Nation, and are available on our website for all tribes to learn from and use.¹ Our *Honoring Nations* program is an annual competitive awards program that identifies, celebrates, and shares outstanding success stories in tribal governance. The executive education programs offered by our sister program, the Native Nations Institute, bring strategic education in leadership, economic development, and public administration to senior executives and managers from Native communities throughout the US and Canada. In combination, our forthcoming volumes *Native America at the New Millennium* (from which earlier panelists already have quoted) and *Resources for Native Nation Building*² capture the challenges and opportunities Indian Country confronts as it faces the future and provide a useful roadmap for strengthening tribal government to meet those challenges and seize those opportunities. As of last week, a DVD series developed by the Native Nations Institute, based its joint work with the Harvard Project, and that spotlights the expertise of more than a dozen Native practitioners, makes these ideas available to an even broader audience.

In short, through these and many other activities, the Harvard Project on American Indian Economic Development and its sister program, Native Nations Institute, have been and remain heavily engaged with Indian Country – always focused on that key question of what is working as Native nations strive to assert their powers of self-determination and chart a course to a healthy future. What have we learned?

¹ www.ksg.harvard.edu/hpaied

² Both of these are working titles.



I hope you will find it useful if I address this question so as to link our learning with the themes and lessons found in the broader, international field of economic development. Certainly, there are lessons from Indian Country which mirror those from the international context, and it is important for tribal and federal policymakers to be aware of this comparison. Moreover, there are lessons from Indian Country that inform the international context and may be of use to those who work there.

THE “PLANNER’S APPROACH” TO ECONOMIC DEVELOPMENT

A review of what meager research and writing existed on economic development in Indian Country 25 years ago turns up a set of dominant themes. First, the overriding focus of thinking and policymaking was on what the *federal government* could do to create jobs, raise incomes, and increase household wealth. This did not emanate solely from the Bureau of Indian Affairs or the other federal departments and agencies engaged in Indian Country. Native nations themselves looked to federal monies, expertise, and programs for economic support and, among the optimists, progress.

Second, federal policies and programs that were aimed at living, business, and employment conditions on reservations constituted a “Planner’s Approach” to economic and community development. This approach treated development as fundamentally a problem of resources and expertise, rather than incentives and institutions. Reservations were understood to be underdeveloped because Native nations lacked access to, particularly, financial capital and technical and managerial expertise. The federal policy response was a series of “flavor-of-the-month” grants, loans, and projects that left Indian Country marked with white elephants and eyesores, from ill-used federally backed motels in out-of-the-way settings (where the flavor was supposed to be tourism), to crumbling industrial parks and empty shells of would-be factory buildings (where the flavor was supposed to be manufacturing), to mining and other natural resource operations (where the flavor focused on asset extraction for short-term cash flow rather than asset building for the tribe’s future). The adaptive response in tribal communities was a “projects” mentality in which “economic development” came to mean “job creation” (by landing the next project the feds were funding³) rather than true economic growth.

Finally, the Planner’s Approach to economic and community development was oblivious to the impact on, and the role of, Native culture in the development process. As the Bureau of Indian Affairs put it in submissions to Congress in 1969, Native culture was

³ An extreme but instructive example is the day in 1988 when my colleagues Joseph Kalt and Stephen Cornell were addressing the council of a Native nation whose reservation is an a very rural part of Arizona, where the sun bakes the bare ground so hard the kids can skateboard across the desert. The tribe’s Economic Development Administration planner (even the job title reflected the Native nation’s orientation toward this approach to development) was beaming. Having duly filed his five-year plan and submitted his grants to assure continued funding of his position, he had just been notified that he had landed a major economic development project. The project was eighteen miles of cement sidewalks.



seen as an impediment to development: "Indian economic development can proceed only as the process of acculturation allows."⁴ That is, economic development could only proceed as Native culture changed to look more like mainstream culture. To the extent that Native culture had any prospect of being an *asset* in the development process, it was so only to the extent that Indian arts and crafts and romantic tourism might be marketable to the non-Indian population.

The precepts and policies of the Planner's Approach to economic and community development in Indian Country have proven largely unproductive, if not downright destructive. I wish I could say that the Planner's Approach has been abandoned, but it lingers on and, in some cases, pervades the advice and thinking of consultants, councils, and policymakers. At the extreme, the results have been reservation "economies" built almost entirely on transfer payments emanating from one federal program or another. More generally, the results have been failed projects, economic stagnation, and continuing poverty. Another legacy is a politics of spoils (or "rent-seeking," as development economists call it). Under the Planner's Approach, tribal politics revolve around the politicians that can farm the federal system most effectively. Native nation citizens compete with one another (often through contentious factional battles) for access to the programs with funding and for jobs in government. Grant writers are at a premium, so if they can be induced to stay at home rather than move away, the tribe's best and the brightest quite rationally are induced to play the grantsmanship game – the route to the "plum" jobs in the transfer economy. Equally reasonably, survival for tribes has meant learning to walk the halls of Congress, harvesting what they can by direct action, and leaving agencies like the BIA without allies or budget.

Where is the fatal flaw in the Planner's Approach? Here, the lessons of Indian Country and nations worldwide converge. A nation's economic development is not a mechanical process that is subject to effective imposition of a preconceived blueprint. While it is, of course, sound *business* practice to plan ahead with budgets and investments as best one can in a world of risk, it is a vain hope to think that we can "plan" an economy in the sense of expecting tribal councils, national legislatures, or federal planners to pick the portfolio of businesses, projects, and activities that will survive and thrive.

EVIDENCE OF AN ALTERNATIVE

So what is the alternative? We at the Harvard Project on American Indian Economic Development and Native Nations Institute for Leadership, Management, and Policy believe that successful Native nations are themselves modeling an approach that answers this question. The evidence can be found in recent policy and progress, which I discuss

⁴ Bureau of Indian Affairs, US Department of the Interior, "Economic Development of Indian Communities," in *Toward Economic Development for Native American Communities*, a compendium of papers submitted to the Subcommittee on Economy in Government of the Joint Economic Committee, Congress of the United States (Washington: US Government Printing Office, 1969), p. 333.

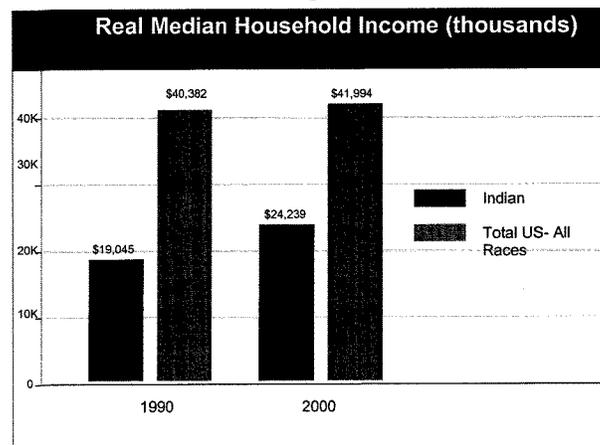


next; an analytic description of the keys to successful development in Indian Country is the topic of the final portion of this testimony.

Since the passage of the Indian Self-Determination and Education Assistance Act of 1975 (P.L. 93-638), the Planner's Approach to economic development gradually has been giving way to policies of self-determination in the economic sphere. Under these policies, Native nations' officials, rather than outside decisionmakers, have been more able to set the agendas, design the programs and policies, reap the benefits of development, and – importantly – be held accountable for failure in development. The result is a little-noticed boom in economic development in Indian Country. Since the early 1990s, both gaming tribes and non-gaming tribes have been experiencing rates of economic growth about three times the rate of the US as a whole.

Let us take an even closer look at the numbers: in the economic arena, the “story” of Indian America is one of communities with a very long way to go to catch up with the rest of the United States (Figure 1), but which have been growing very rapidly from the 1990s onward (see Figure 2). Throughout the 20th century, American Indians on reservations were the poorest identifiable population group in the United States, and year after year, nations such as the Oglala Sioux Tribe (Pine Ridge Reservation) ranked among the very poorest communities in the US. As Figure 1 indicates, as of 2000, the real (i.e., inflation adjusted) median household income of Native Americans on living reservations and in Indian areas of the lower 48 states was only 58% of the average American median household income – i.e., \$24,239 versus \$41,994.

Figure 1

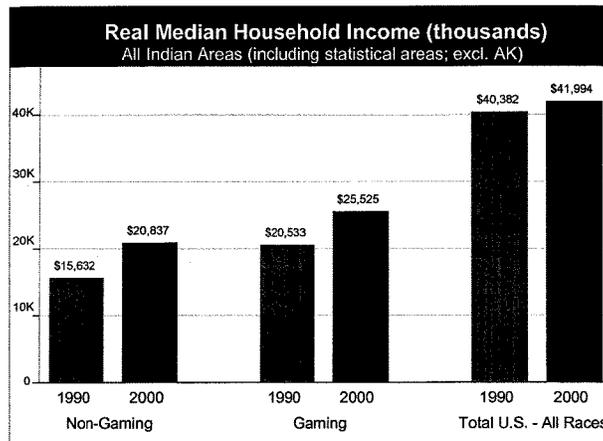


SOURCE: US Census, 1990 & 2000, as reported in Jonathan B. Taylor and Joseph P. Kalt, *American Indians on Reservations: A Databook of Socio-economic Change between the 1990 and 2000 Censuses*, The Harvard Project on American Indian Economic Development, January 2005.



Mainstream media portrayals of the casino enterprises that many tribal governments have built since the late 1980s conjure an image of easy money and previously unseen riches for Native nations. But the long history of poverty and low incomes in Indian Country has not been wiped away by gaming. As Figure 2 shows, although approximately 200 tribes operate gaming enterprises, low incomes (as well as the underemployment and unemployment that low incomes signal) are much more the rule than the exception for gaming and non-gaming tribes alike. Native nations such as the Crow Creek Sioux Tribe (reservation in SD), San Carlos Apache Tribe (reservation in AZ), and numerous others have pursued gaming, but by 2000 still had household incomes that were less than 60 percent of the median household income in the rest of the United States.

Figure 2



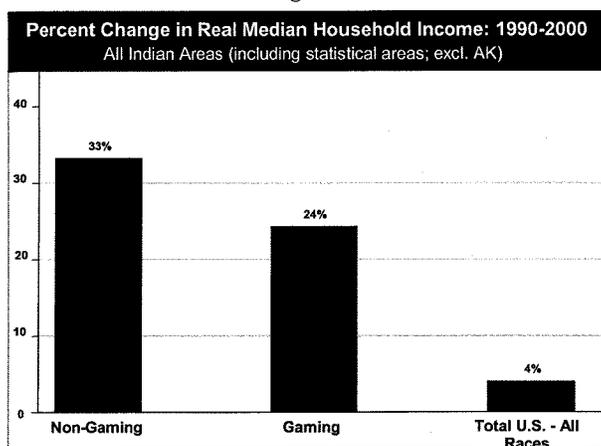
SOURCE: US Census, 1990 & 2000, as reported in Jonathan B. Taylor and Joseph P. Kalt, *American Indians on Reservations: A Databook of Socio-economic Change between the 1990 and 2000 Censuses*, The Harvard Project on American Indian Economic Development, January 2005.

In fact, during the first full decade of Indian gaming, real household incomes on reservations without gaming actually grew more rapidly (33%) than on reservations with gaming (24%) – and both far outstripped the meager 4% growth in the median American household's income during the entire decade of 1990-2000 (see Figure 3). And therein lies the other side of the economic story in Indian Country: Native America is in the midst of an economic boom, with rates of income growth sustained over the 1990s and into the new millennium that match those of virtually any international case of rapid development.



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Figure 3



SOURCE: US Census, 2000, as reported in Jonathan B. Taylor and Joseph P. Kalt, *American Indians on Reservations: A Databook of Socioeconomic Change between the 1990 and 2000 Censuses*, The Harvard Project on American Indian Economic Development, January 2005.

Just as I am careful to note that this boom is not attributable to gaming *per se*, it also is not attributable to some large influx of federal dollars: the improvement in average incomes in Indian Country since the late 1980s has occurred even though overall federal funding to Indians was not increased. Instead, as discussed below, the truly important change appears to be a practical commitment (by both the US federal government and Native nations) to self-determination: research suggests that economic development in Indian Country took hold only after policies of self-determination took hold.

A final note in this review of the evidence of economic growth in Indian Country is that the progress is tenuous. Policies of self-determination are poorly understood and under constant pressure for repeal. Even at the high rates of income growth seen in recent years, it would take decades for incomes in Indian Country to catch up to US average income levels. And, in some sense, that is not the goal of Native communities. Income and material well-being are hardly the be all and end all for America's Native nations. The citizens of Native nations may count political perpetuation, matters of cultural identity, and quality of life and quality of community (which cannot easily be measured in dollars) as more important shared goals. But as long as poverty, unemployment, and under-employment are a Native nation's prevailing economic reality, its citizenry will struggle to hold everything else together. Families will be forced to undertake extraordinary steps to access even the bare necessities, individuals will tend to face the unwanted choice of looking off-reservation for even modest economic opportunity, and because of these necessary focuses, other progress may be difficult to achieve. As a result, persistent



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economic underdevelopment and attendant poverty are pressing concerns across Indian Country.

KEYS TO ECONOMIC DEVELOPMENT IN INDIAN COUNTRY

Economic development is an organic process. In an environment in which opportunities are subject to the vicissitudes of competition and continually changing marketplace conditions, economic development occurs as the sum of small, adaptive decisions of myriad individuals who by luck or preparation are in the right place at the right time to take advantage of unplanned prospects. Economic development is much more analogous to tenacious plants looking for places to pop up and take root than to an engineered system.

What factors can prime the process of economic development? We can begin to answer this question by pointing to some factors that do not seem to be so critical – or at least not determinative. Both in Indian Country and internationally, I think it is surprising how often economic development takes root in nations without remarkable endowments of natural resources, good geography (e.g., close to major markets), or a well-educated citizenry. While more resources, better geography, and more worker skills and expertise are better than the contrary, they are not necessary prerequisites for an economy to launch and sustain development.⁵ Neither an Asian “tiger” like Taiwan nor an economic engine like the Mississippi Band of Choctaw Indians began its drive to development with abundant natural resources, a prime location, or a highly experienced workforce. Rather, like all human societies, they had by definition one key raw material – labor. In the Mississippi Choctaw case, this has supported a highly productive manufacturing sector in such areas as plastics and electronics, as well as the numerous ancillary services – from fire fighters to retail service workers – that “thicken up” an economy. The record at Mississippi Choctaw is as striking as it is well-known: Over the last two and a half decades, unemployment has effectively been eradicated, welfare dependence has been reduced to far below the US national average, and incomes and wealth (such as housing assets) have been steadily rising.⁶ On the social side, health conditions have improved dramatically,⁷ and the nation has been able to invest its own resources in schools, Native language education, and complementary infrastructure.

If natural resources, location, and education are not necessary for development to take hold, what are the critical prerequisites? At the heart of the challenge of economic development are *incentives*. The organic process of finding and developing economic

⁵ Stephen Cornell and Joseph P. Kalt, “Where’s the Glue? Institutional and Cultural Foundations of American Indian Economic Development,” *The Journal of Socio-Economics*, vol. 29, 2000, pp. 443-70.

⁶ Peter J. Ferrara, *The Choctaw Revolution* (Washington: American Tax Reform Foundation, 1998).

⁷ Harvard Project on American Indian Economic Development, *Honoring Nations: Tribal Governance Success Stories, 1999*, Kennedy School of Government, Harvard University, 1999, pp. 21-22.



opportunities depends most centrally on channeling peoples' labor and resources into productive activity. If the risks are lower and the returns higher to spending one's efforts seeking political favor or chasing government transfers, greater effort will tend to be channeled in that direction. If rules of the game for, say, elected tribal officials punish or put at risk efforts to assert self-determined, non-Planner's-Approach strategies for economic development, even officials dedicated to the well-being of their citizens will be pulled toward strategies of dependence on the federal system. If a country's incentives improve the payoffs (in terms of power and prestige, as well as wealth) to fighting over slices of the economic pie, rather than the making of that pie, the best and the brightest will tend to be used up in the former – as so much conflict in Latin America and Africa continues to illustrate.

Development specialists' use of the term "incentives" may conjure images of selfish money mongering – but it should not. The concept of "incentives" is more generic and applies across cultures. Indeed, one culture may foster materialism, and related incentives may produce materialistic behavior. But incentives support (or discourage) publicly interested behavior too. Consider the case of a new college graduate weighing the option of using her accounting degree (or natural resource management expertise, or any other skill) in her home community. She must determine whether building a life there is realistic and will ask questions such as: Will my job be hostage to politics? Will commitment and capable performance be recognized? Will I be able to support myself and my family members? The answers to these questions – which are generated by a community's or nation's institutions – are make-or-break incentives. If answers are "yes," it is more likely that the community can attract and retain productive resources. For Native nations – which often must compete directly with the incentive systems of Phoenix or Minneapolis or Billings, etc. – negative answers have particular bite.

Given this understanding, it's clear that the nature and source of incentives are the keys to economic development. Our studies of American Indian nations suggest that three considerations make the most difference for structuring incentives in support of Indian Country economic development: institutions, culture, and sovereignty. I address these in turn below.

Institutions Matter

For all human societies, incentives for productive and unproductive activity emanate from *institutions*. And it is fair to say that the focus on institutions as the key ingredient that must undergird economic development is now the widely shared framework within which development economics and policy is proceeding.⁸ Governmental institutions of dispute resolution, business regulation, administrative law, property, taxation, and the like lay down the formal rules of the game that determine rewards and penalties,

⁸ See, for example, Dani Rodrik, "Institutions, Integration, and Geography: In Search of the Deep Determinants of Economic Growth," Center for International Development, Kennedy School of Government, Harvard University, February 2002.



opportunities and risks. But governments are not the only “institutions.” Social and cultural institutions – from family structures and religious societies to health care and civil society organizations – also impact individuals’ and enterprises’ incentives to invest their lives and resources in one community rather than another. Like sound government institutions, healthy and stable social and cultural institutions promote economic development by making it more likely that that a recent college graduate will want to come home.

Research on international economic development stresses a number of central traits of institutions as being conducive to economic development. A market economy, secure private property rights, an independent court system, and western-style democracy are institutions that have received a great deal of attention both in academic research and in the policies of international organizations such as the World Bank and International Monetary Fund.⁹ Indeed, the Bank and the Fund have become famous (or infamous, depending on one’s politics) for conditioning development assistance along the implied lines of governmental reform.

What of the research on effective institutions in Indian Country? The themes are similar, but the specifics differ in important ways from those found in much of the research on international development. Harvard Project and Native Nations Institute research consistently finds that economic development in Indian Country does not occur (or is severely impeded) unless a tribe’s institutions embody at least three attributes:

- *A Rule of Law.* In any society, one of the key tasks of government is to resolve disputes – disputes over everything from business contracts and who gets hired and fired to whether the nation ought to harvest its forest resources. The critical challenge for governments the world over is how to limit those who constitute the government at any moment, and who thereby have the power to resolve disputes, from using their power to commandeer resources or to otherwise benefit themselves and/or their supporters. From outright corruption under Ferdinand Marcos’ in the Philippines to land grabs in Zimbabwe to petty patronage politics in Cambridge, Massachusetts or within a Native nation, rule by power and influence rather than law quashes economic development.

Phrases such as “the rule of law” may sound like they belong in the high school civics textbooks of mainstream America, but the concept is neither new to Native America nor the exclusive property of Western European culture. Concepts of respect for one’s traditions and one’s traditional institutions are, at their core, expressions in support of the rule of law, providing prescriptions for making

⁹ See, for example, Rodrik, *op. cit.*; World Bank, *World Development Report 2000/2001: Attacking Poverty* (New York: Oxford University Press, 2001); and World Bank, *World Development Report 2002: Building Institutions for Markets* (New York: Oxford University Press, 2001); World Bank, *World Development Report 2005: A Better Investment Climate for Everyone* (New York: Oxford University Press, 2004).



collective decisions and resolving disputes. Indeed, we should have all been reminded of this in the 2000 Presidential election, when then-Vice President Gore and now-President Bush leaned on the legitimacy of traditions promulgated by the US' founding fathers to resolve their dispute.

Applied to an official or a citizen of a Native nation, the admonitions invoking such respect and legitimacy are invocations of the rule of law – tribal law. The resulting payoff to better performance of tribal government is amply demonstrated by cases like the Navajo Nation court system, where systematic injection of *Dine'* common law serves to resolve disputes legitimately and to constrain would-be self-aggrandizers by putting the weight of culture behind the letter of the law.¹⁰

- *Separation of Politics from Day-to-Day Administration and Business Affairs.* Closely related to the establishment of a rule of law is the need to separate politics from day-to-day decisionmaking and management in bureaucratic and business affairs. Perhaps because most Native nations are relatively small and “everybody knows everybody else,” this problem can be particularly vexing for tribal governments. The pressures to hire a relative, fire a political opponent, not discipline a recalcitrant renter, and so on are often overwhelming. The results, however, are destructive of effective governance and economic development.

Tellingly, research by my colleagues Stephen Cornell and Joseph Kalt finds that tribally owned enterprises are about four times more likely to be able to sustain themselves when they are managed by boards of directors that are independent of the tribal council.¹¹ Similarly, my own research finds that a dominant predictor of whether a tribal housing program is well-run (e.g., as reflected in upkeep of the housing stock, rent payments kept current, etc.) is whether a Native nation has an independent court¹²; this mechanism for the independent resolution of disputes keeps petty politics out of such decisions as whom to hire to run a program and when a renter can be evicted.

Again, notions such as an “independent board of directors” and an “independent judiciary” should not be taken to imply that such institutions must necessarily be designed after a US or Western European model. For example, the three “branches” of very-much-intact and functioning traditional Puebloan government

¹⁰ Harvard Project on American Indian Economic Development, *Honoring Nations: Tribal Governance Success Stories, 1999*, Kennedy School of Government, Harvard University, 1999, pp. 6-7.

¹¹ Stephen Cornell and Joseph P. Kalt, “Reloading the Dice: Improving the Chances for Economic Development on American Indian Reservations,” in Cornell and Kalt, ed., *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development* (Los Angeles: American Indian Studies Center, UCLA, 1992), pp. 1-59. Also see related evidence in Miriam Jorgensen and Jonathan B. Taylor, “What Determines Indian Economic Success? Evidence from Tribal and Individual Indian Enterprises,” *Red Ink*, Spring 2000, pp. 45-51.

¹² Miriam Jorgensen, *Bringing the Background Forward: Evidence from Indian Country on the Social and Cultural Determinants of Economic Development*, Doctoral Dissertation, Harvard University, June 2000.



at Cochiti Pueblo provide demonstrably effective separations of powers and checks and balances that serve to uphold the rule of law and keep politics out of day-to-day administration. Similarly, a number of Native nations are teaching the world new governmental designs. The creation of councils of elders and ethics boards, for example, put in place fourth branches of government to complement the familiar civics textbook model of executive-legislative-judicial constitutional structures.¹³

Ultimately, instituting policies and practices that support, rather than thwart, economic development requires leadership and knowledge on the part of tribal officials. This is strikingly demonstrated by case mentioned above of Ho-Chunk, Inc., the wholly-owned business enterprise of the Winnebago Tribe of Nebraska. Winnebago leadership chartered Ho-Chunk, Inc. with the explicit and blunt admonition that: Ho-Chunk, Inc. was established so that tribal business operations would be free from political influence and outside the bureaucratic process of the government."¹⁴ Since its founding in 1995, Ho-Chunk, Inc. has raised its revenues to over \$150 million annually, and Winnebago unemployment has fallen from approximately 70% to less than 15%.

- *Efficient Bureaucracy.* A third key element we find that marks those Native nations that are building and sustaining effective economies and social systems is perhaps a little mundane: They "push paper" efficiently and effectively. In a competitive world, with businesses, investors, managers and workers readily able to locate on or off reservations, good record-keeping, clean administration, solid computer networks, and the like count for a lot. Similarly, the building and retaining of institutional knowledge on matters ranging from the last round of negotiations with the tribal citizen who wanted to invest in a restaurant on tribal land to the hydrology of the aquifer under the reservation are assets that enable a tribe to make informed and beneficial decisions.

Thus, the building of "bureaucratic capacity" emphasized by specialists in international development¹⁵ certainly has its counterpart in Indian Country. There is perhaps no better illustration than Kayenta Township, Navajo Nation. Frustrated by the lack of economic activity and high unemployment and encouraged by the Nation's attention to the needs for greater local autonomy in government, Kayenta leadership set about creating in 1997 a Commission of five, staggered-term representatives and implementing a system of Kayenta-specific municipal codes, streamlined business permitting, and expedited infrastructure

¹³ See, for example, the case of San Carlos Apache, Harvard Project on American Indian Economic Development, *Honoring Nations: Tribal Governance Success Stories, 2000*, Kennedy School of Government, Harvard University, 2000, pp. 6-7.

¹⁴ Harvard Project on American Indian Economic Development, *Honoring Nations: Tribal Governance Success Stories, 2000*, Kennedy School of Government, Harvard University, 2000, pp. 4-5.

¹⁵ Rodrik, *op. cit.* For interesting illustrations, see Thomas L. Friedman, *The Lexus and the Olive Tree* (New York: Farrar, Straus and Giroux, 1999).



development – supported by a system of modest local taxes. The result today is a veritable boomtown, as retail businesses from hotels to shopping have flourished. With this development, the Township has been able to invest in improving the quality of life along with the improvement in employment opportunities, including investments in solid waste control, housing, a women’s shelter, water supply infrastructure, and recreation facilities.¹⁶

Culture Matters

Indian Country is teaching the world a paramount lesson in development: because institutions matter, culture matters. International development specialists do occasionally point to the relevance of local conditions and political feasibility as important determinants of *what* kinds of institutions work where in promoting development.¹⁷ Indian Country, however, is demonstrating the critical importance of a broader concept – *cultural match*. There must be a consonance (“match”) between the structure of a society’s formal institutions of governance and economic development and its underlying norms of political power and authority (culture) for those institutions to function and serve effectively.

In the language of economics, cultural match is required because formal institutions of governance are “public goods” of a particular kind. We all share in their processes and outcomes, and each of us has personal incentives to let others bear the costs of supporting their operation, let others intervene to make sure that officials serve the public interest, and spend time and effort informing themselves on the issues. Moreover, our governmental institutions have the attribute that they are the means by which we make and enforce agreements as to how we will resolve our disputes, regulate our behavior, and the like.

Ultimately, for our constitutions and laws to result in governance, they must rest on something more compelling than the paper they are written on – our society’s more or less shared cultural norms as to how authority ought to be exercised and used. If, on the other hand, our institutions are not seen as legitimate (they are not consonant with norms), their actions will be less able to command our assent and respect, citizens will be more likely to rise against them, and less likely to invest in their improvement.¹⁸ This is a long way of saying that government can’t work if it’s not legitimate in the eyes of the governed.

¹⁶ Harvard Project on American Indian Economic Development, *Honoring Nations: Tribal Governance Success Stories, 1999*, Kennedy School of Government, Harvard University, 1999, pp. 14-15.

¹⁷ For excellent treatments, see, for example, Daron Acemoglu, Simon Johnson, and James A. Robinson, “An African Success Story: Botswana,” working paper, Department of Economics, Massachusetts Institute of Technology, July 2001; and, Yingyi Qian, “How Reform Worked in China”, working paper, Department of Economics, University of California, Berkeley, July 2001.

¹⁸ Stephen Cornell and Joseph P. Kalt, “Cultural Evolution and Constitutional Public Choice,” in John R. Lott, ed., *Uncertainty and Economic Evolution* (London: Rutledge, 1997), pp. 116-142.



Research indicates that cultural political and organizational norms are very durable.¹⁹ In fact, we see this in the long-standing animosities that generate so many of the world's current conflicts and wars. The implication in Indian Country has been devastating. The imposition of one-size-fits-all government on tribes through the Indian Reorganization Act (IRA) and similar measures has meant that many Native nations attempt to govern themselves under culturally mismatched systems. While tribes such as the western Apache and Choctaw, with deep, pre-reservation histories of strong chief executive government were able to fit the IRA chairman-council, non-independent judiciary system with their cultural norms, the same, imposed system was not at all workable for effective governance among the nations of the Northern Plains. The latter (e.g., the Lakota) historically operated under a kind of parliamentary government, with representative councils (which selected *multiple* executive administrators) and quite strong independent law enforcement societies. It is small wonder that government since imposition of the IRA has meant turning over entire councils with each election, never consecutively re-electing a tribal chair, political unrest verging on revolution – and the poorest economies in the United States. And it is small wonder that *self*-determined constitutional reform is the front-burner issue today for so many thoughtful tribal leaders.²⁰

The implication that a one-size-fits-all approach does not work in Native America – where there are scores of different tribes and cultural groups – carries over to the international sphere. A central criticism of, for example, World Bank initiatives is that the Bank is insensitive to variations in local and national political structures and processes. Moreover, in the American Indian context, many (but not all – see the discussion below on trade) policy recommendations that are *de rigueur* in international development policy have stark counterpoints in Indian Country. For example, the strong predilection in development theory for the institution of private ownership of enterprises is countered by the many instances of highly successful state-owned (i.e., tribal government-owned) enterprises. In fact, the cases of both the Mississippi Band of Choctaw Indians and the Winnebago Tribe of Nebraska noted above are cases dominated by tribal ownership – in communities with cultural-based traditions of group ownership of capital assets. Of course, the implication of the concept of cultural match is that in other Native nations, private ownership might be expected to perform well while tribal ownership is routinely unsuccessful – such as where multiple tribes share a common reservation but not a culture of joint ownership (as at Wind River?), or where strong traditions of individual action are respected and subjugation to bosses is not (as among many Northern Plains Native nations).

¹⁹ Robert D. Putnam, *Making Democracy Work: Civic Traditions in Modern Italy* (Princeton: Princeton University Press, 1992).

²⁰ Stephen Cornell and Joseph P. Kalt, "Where Does Economic Development Really Come From? Constitutional Rule Among the Contemporary Sioux and Apache," *Economic Inquiry*, vol. 33, July 1995, pp. 402-426.



A frequent theme in international development policy sees Western-style democracy as important, if not absolutely necessary for economic development.²¹ As with so many other issues, the rapid growth of China's economy over the last decade and a half represents a challenge to this view. In Indian Country, Western-style democracy has been eschewed by some Indian nations. Cochiti Pueblo, for example, follows a "constitutional" structure grounded in its traditional theocratic traditions – and successfully operates a world-class golf resort and retirement community.²² Similarly, while an independent judiciary typically correlates with better economic performance among tribes,²³ cases of counterpoint exist to challenge orthodoxy (the Mescalero Apache Tribe may be one). The lesson is that successful development must solve the problem of creating a stable rule of law, but because of the need for cultural match, the solution need not be a US-style judiciary.

At this point, it is important to add that our support for cultural match (legitimate institutions) and simultaneous dismissal of one-size-fits-all institutions is not a romantic endorsement for Native nations' "return to" or re-adoption of historical institutions of government. To "work," institutions must meet two tests: legitimacy in the eyes of the citizens and practical efficacy. When these two are in conflict, it is the culture that is under pressure to change. No better illustration of this can be found than in a country's or Native nation's economic policies vis-à-vis trade with others. It is a reality of today's global economy that, although a tribe might follow a non-market strategy internally, its external economic fortunes are governed by the marketplace. Just as development specialists consistently find that international trade is beneficial to developing countries,²⁴ so our research finds that strategies of economic self-sufficiency and hostility to trade with the external economy block economic development on reservations.²⁵ Thus, a Native nation that is insular in its norms regarding trade and commerce with outsiders, and adopts policies to restrict such interaction, faces little prospect of economic development and strong realities of continued poverty. Note, however, that this does not mean that Native nations that wish to sustain traditional cultural practices and norms can do so only at the expense of economic development. Certainly like Cochiti belie such an assertion. In fact, other Harvard Project research shows that, holding the influence of all other factors constant, the economic performance of, for example, tribal logging enterprises improves when tribes take over those enterprises and

²¹ For a discussion, see, e.g., Marcatan Humphreys and Robert Bates, "Political Institutions and Economic Policies: Lessons from Africa," working paper, Center for International Development, Kennedy School of Government, Harvard University, September 2002.

²² Stephen Cornell and Joseph P. Kalt, "Successful Economic Development and Heterogeneity of Governmental Form on American Indian Reservations," in Merilee S. Grindle, ed., *Getting Good Government: Capacity Building in the Public Sector of Developing Countries* (Cambridge, MA: Harvard Institute for International Development, 1997), pp. 257-296.

²³ Cornell and Kalt, "Where's the Glue...", *op. cit.*

²⁴ Rodrik, *op. cit.*

²⁵ Cornell and Kalt, "Where's the Glue...", *op. cit.*



when such indicators of cultural *non*-acculturation as Native language use are high.²⁶ As we say, culture matters.

Sovereignty Matters

Because the Harvard Project on American Indian Economic Development and the Native Nations Institute at the University of Arizona are increasingly known as organizations that promote this point – that practical sovereignty and self-determination make a difference to economic development outcomes – I think it is especially important to expand upon it. Why do we believe this to be true? More academically, what lines of reasoning and what research suggest that it is true? I believe there are four issues – design, ownership, accountability, and leadership development – that tie sovereignty and self-determination to the incentives that support economic and community development in Indian Country.

- *Design issues.* The paired primacy of effective institutions and cultural match is a leading reason why policies of tribal sovereignty and self-determination, embarked upon in the mid-1970s and ebbing and flowing since then, have been the only policy strategy that has shown any prospect of breaking the patterns of poverty and dependence that became so familiar in Indian Country in the 20th century. It takes self-rule to be able to change institutions in ways that have maximum chances of matching Native nations' respective cultures.

As the discussion above makes clear, we use the term “culture” to refer to fundamental informal, quasi-constitutional rights and norms that govern what a society regards as proper and legitimate when it comes to the structure and power of government, the scope of individual and property rights, and so forth. Culture in this sense can be quite subtle: it is just the context in which people live. Effective leaders, institutions, and governing processes wittingly or unwittingly tap into and match cultural norms of propriety and legitimacy – outsiders are inevitably less successful than insiders when it comes to designing institutional processes and structures that will work for a community. Sovereignty and self-determination allow local desires, preferences, needs, and ways of doing things to be more accurately perceived and acted upon, so that institutions and government can function in support of economic growth and community change.²⁷ The research evidence is in the series of constitutional design papers by Cornell and

²⁶ Jorgensen, *op. cit.*

²⁷ This is not to say that self-determination as a federal policy is without flaws. PL 93-638 has been criticized as being somewhat over-determinative in the way in is implemented on the ground: Native nations may feel forced to simply replicate the federal government's way of doing things; see Russel Barsh and Ronald L. Trosper, “Title I of the Indian Self-Determination and Education Assistance Act of 1975,” *American Indian Law Review*, vol. 3, pp. 361-395. We praise the broader concept and empowerment it provides, not PL 93-638's specific implementation.



Kalt²⁸; in my own research on timber enterprises, housing authorities, and early entrants to the gaming market²⁹; in our work on tribal law enforcement and justice systems³⁰; and in the examples of numerous Honoring Nations award winners.³¹

- *Ownership issues.* Sovereignty as an idea and self-determination and self-governance as federal policies place resources squarely in the hands of Native nation officials and citizens. In most cases, this translates to an increased sense of ownership over the resources, a sense which often is augmented still further when a Native nation pools resources garnered through own-revenue generation with federal funds. This sense of ownership then backs up the effectiveness of strategies, plans, and programs put in place for community development. The result arises less from research of the Harvard Project and Native Nations Institute than it does from logic and experience in the broader field of community development (although again, we think there is ample evidence of the point among the Honoring Nations winners): when a community accepts ownership over resources and resultant programming, there's a greater commitment in that community to using resources wisely and making investments pay off.
- *Accountability issues.* Closely linked to the idea of ownership is the idea of accountability. Here it is important to recall that contracting and compacting are policies whereby Native nations take over the management and delivery of programs otherwise within the domain of the federal government. In the "direct service" model, where Bureau of Indian Affairs employees or other federal administrators manage programs, accountability runs from the program to Washington – there is little or no accountability to the Native nation government or its citizens about how resources are used or managed. But under a contract or compact, accountability extends to these very important parties. Tribal leaders and tribal citizens feel ownership over the resources and hold their program managers

²⁸ These papers include "Where Does Economic Development Really Come From?", "Successful Economic Development and Heterogeneity of Governmental Form on American Indian Reservations," "Cultural Evolution and Constitutional Public Choice," and "Where's the Glue?," *op cit*.

²⁹ See especially, "Taste, Culture, and the Path of Economic Development," in Jorgensen, *op cit*.

³⁰ See Stewart Wakeling, Miriam Jorgensen, Susan Michaelson, and Manley Begay, "Policing on American Indian Reservations," National Institute of Justice, US Department of Justice, Washington, DC, September 2001; Stephen Brimley, Carrie Garrow, Miriam Jorgensen, and Stewart Wakeling, 2005. "Strengthening and Rebuilding Tribal Justice Systems, Learning from History and Looking Towards the Future: A Participatory Process Evaluation of the U.S. Department of Justice Comprehensive Indian Resources for Community and Law Enforcement (CIRCLE) Project," Harvard Project on American Indian Economic Development, Cambridge, MA. March 2005; and Stewart Wakeling and Miriam Jorgensen, "Strengthening and Rebuilding Tribal Justice Systems, Learning from History and Looking Towards the Future: A Participatory Outcomes Evaluation of the U.S. Department of Justice Comprehensive Indian Resources for Community and Law Enforcement (CIRCLE) Project," Native Nations Institute, The University of Arizona, Tucson, AZ, *forthcoming*.

³¹ A full listing can be found at www.ksg.harvard.edu/hpaied/hn_main.htm



and project leaders accountable for how federal resources – and, indeed, *all* tribal resources – are used.

Importantly, the changes that come with sovereignty and self-determination don't mean that every case of contracting or compacting is successful. As with any other governments, tribal governments can fall on their faces. But that is part of the point that needs to be made. More than one Native nation leader has remarked, "This self-governance is a two-edged sword. I get more control, but I don't get to blame the feds when my people complain about failure. ...and that's the way it should be." Certainly, diverse outcomes are evident in the raw research data. Yet the overall ("average") research finding is unequivocal: from forestry to health care, the hard, statistical evidence says that changed accountability through tribal takeover of programs is working.³²

- *Leadership development issues.* There is an additional, largely untold payoff to federal monies that have been allocated through P.L. 93-638 and related processes of Native nation control. Through our *Honoring Nations* program and other interactions with tribal governments, we have the opportunity to work with large numbers of tribal managers, program directors, and other professionals. It is increasingly clear that Indigenous control of programs and projects under contracting and compacting programs with the federal government has been serving as a fertile training ground for talented leadership. In Native nations where self-government and resultant "good government" (however that is culturally defined) have become a reality, tribal government is viewed as something more than a political boxing ring, and it is attracting high quality tribal citizens. These emerging leaders have the commitment and energy of their predecessors, now backed by on-the-job experience that arms them with critical skills. "Effective bureaucracy" is spreading rapidly.

The capacity of Indian Country's emerging leadership is abundantly clear in the programs recognized as honorees by *Honoring Nations*. Whether it is the organizing of a new township at Kayenta, the gray wolf recovery efforts of the Nez Perce Tribe, the Navajo Nation Supreme Court, regional sewage treatment management by the Lummi Nation, or diabetes prevention by the Winnebago Tribe of Nebraska, the excellent programs are marked by a "just do it (ourselves)" approach, capable institutions of self-government, and the implicit and explicit incorporation of Native nation-specific cultural values and management techniques. In cases such as Fond du Lac Band of Lake Superior Chippewa's

³² Matthew B. Krepps, "Can Tribes Manage Their Own Resources? The 638 Program and American Indian Forestry" in Cornell and Kalt, *What Can Tribes Do? ...*, *op. cit.*, pp. 179-203; Alyce Adams, "The Road Not Taken: How Tribes Choose Between Tribal and Indian Health Service Management of Health Care Resources," Doctoral Dissertation, Harvard University, October 1999; National Indian Health Board, *Tribal Perspectives on Indian Self-Determination and Self-Governance in Health Care Management*, completed 1998.



pioneering off-reservation foster care program, salmon restoration by the Confederated Tribes of the Umatilla Indian Reservation, and Jicarilla Apache Nation's wildlife management systems, the Indian models are clearly outperforming state and federal government approaches – to the point that the non-Indian governments are now turning to Native nations for advice and counsel. It is sovereignty and self-determination that have led to this creativity and success, and sovereignty and self-determination that will promote virtuous cycles of development as this new generation of leadership takes charge.

In sum, continued dependence on another government's policies and approaches puts others' norms and desires in charge, misplaces notions of resource ownership, obscures appropriate lines of accountability, and stifles creative leadership. The negative results for Indian Country should not have been surprising – the same ideas led to failing economies in the former Soviet bloc, and in reverse are the argument for devolution in the United States. By contrast, economic development success stories in Indian Country are uniformly marked by a three part pattern of (1) aggressive assertions of sovereignty, resulting in (2) self-governed institutions, which are (3) characterized by cultural match. Time and again, it is the Native nation that takes control of its own institutions and runs them by its own lights that develops economic, social, and political systems that work.

POLICY IMPLICATIONS

It is easy to criticize federal policy regarding economic development on America's Indian reservations – a great deal of it has been guided by the Planner's Approach and has blocked the exercise of home-grown institution building that is the necessary prerequisite for sustained development. In the rush to criticize, however, it is important to acknowledge policy that has worked – specifically, I reiterate my praise for policies that support sovereignty, self-determination, and self-government, and I frame my entire discussion of policy implications as comments on how self-determination and self-government policy can be improved.

1. *Invest in institutional development and institutional reform.* As a general policy in support of self-determination and to take advantage of the linkage between legitimate and effective institutions and economic development, the federal government should invest in institutional development and institutional reform, including (but not limited to) processes of constitutional reform.
2. *Expand opportunities for contracting and compacting.* Any programs operated by the US government or its agents (as in the case of pass through funding to states or other entities) that are designed for or available to Native nations should be available for contracting and compacting, given the many benefits of these funding arrangement for Native nations' development. This recommendation includes offering more programs like PL 102-477, by which funding from the Department of Labor, Department of Health and Human Services, and BIA for programs relating to employment and training can be pooled and provided to a



Native nation as a block grant. Many issue areas (including criminal justice, welfare/income support, education, etc.) are ripe for cross-department collaboration, and mechanisms for block grants are an important tool in such collaborations.

3. *Develop funding streams that make contracting and compacting more feasible and more desirable.* Some Native nations tell us they cannot take advantage of contracting and compacting because doing so is too costly. Often, this is the concern that the tribe does not have the administrative apparatus necessary to manage a program or funding block and does not have the financial wherewithal to develop that apparatus. For instance, many tribes could not take advantages of opportunities to run their own Temporary Aid to Needy Families (TANF) programs because the states, and not tribes, had been the historical recipients of federal investments in administrative infrastructure. Making funding available – perhaps through a competitive award program – for such infrastructure development would provide opportunities and incentives for even more Native nations to reap the benefits of self-determination policies.

An important aspect of this infrastructure development is data gathering and reporting infrastructure. The federal government wants accountability from contracted and (especially) compacted programs; Native nation governments want freedom from contradictory, non-useful reporting to various federal agencies and an ability to report on measures they themselves see as useful. Most parties do not believe that *expanding* contracting and compacting will yield those results. While the going will be slow, investments by the federal government in Native nations' own data gathering infrastructure would ease accountability issues and make policy expansion more desired by all parties.

4. *Support further shifts from contracting to compacting.* While I believe that contracting under PL 93-638 is beneficial for Native nations, I also believe that there is a strong tendency under the policy for tribes to operate program in much the same way the former federal administrators did. It is critical to understand that just running programs with federal dollars is not enough to lay the groundwork for sustained economic, social, and political health. Contracting without sovereignty is not self-government; it is being a branch of the federal government. If “self-administration” is all that Native nations have, the future is a future of dependency and poverty.

I realize that there is a feeling among some federal administrators and some Native leaders that nearly all the compacting that could be done has been done. But surely this reflects constraints within the current program (see point 2 above, for example) rather than a real recognition by Native nations that they desire no more opportunities for self-government.

5. *Expand jurisdictional sovereignty.* There are still a large number of issue areas over which Native nations lack adequate jurisdiction. To date, the truly notable



cases of economic success in Indian Country have entailed the exercise of jurisdictional sovereignty. From the exercise of the right to game or not game, to the assertions of tribal jurisdiction over wildlife (e.g., by the Hualapai Nation, various Apache nations, and many others) otherwise managed by state game and fish departments, to the building of tribal courts that out-compete state jurisdictions in the competition to attract capital (as appears to be occurring at Flathead Reservation, home of the Confederated Salish and Kootenai Tribes), to *de facto* implementation of tribal business, land use, and environmental codes, *sovereignty* is a spur to economic development – and opening up more avenues for the exercise of sovereignty increases the field for economic development.

5. *Expand supports for the “unplanned” economy.* I began this presentation with a summary of the “Planner’s Approach” to economic development. That approach included a strong focus on tribal-government led development efforts, in which the tribal government (funded by the federal government) either created jobs through running programs or created jobs through business ownership. As noted but not stressed in the section on cultural match, economic organization has a cultural component, and while many Native nations will and do opt for corporate ownership of enterprises, many others are opting for mixed economies or economies with a strong focus on privately owned businesses. Thus, movement away from the Planner’s Approach not only means supporting self-determination, but providing support to those nations that are pursuing greater private sector development. Federal programs that support the development of community development finance institutions (CDFIs), commercial codes, independent judiciaries, citizen financial education, etc., are all additional ways to disengage from the Planner’s Approach.

My summary is brief: self-determination – and here, I mean self-determination broadly conceived, the idea not just the policy of P.L. 93-638 – is the only federal policy that has worked to alleviate poverty and social distress in Indian Country. Without self-determination, the federal government invites increased and prolonged dependence on the federal budget. That route seems like a lose-lose policy strategy for everyone.





**Testimony of Elsie M. Meeks
Executive Director, First Nations Oweesta Corporation
Chair, Native Financial Education Coalition**

**To the Senate Committee on Indian Affairs
Oversight Hearing on Economic Development**

May 10, 2006

Chairman McCain, Vice-Chairman Dorgan, and distinguished members of the Committee, thank you for the opportunity to appear before you on behalf of First Nations Oweesta Corporation (Oweesta) and the Native Financial Education Coalition (NFEC). I appreciate your attention to the important issue of economic development in Native communities and the opportunity to share our perspectives on successful economic development models that build the private sector economy.

Organizational Context

My name is Elsie Meeks and, in addition to my role as Executive Director of Oweesta and Chair of the Native Financial Education Coalition, I am appearing before you as someone who has dedicated my life to the importance of private enterprise development in reservation communities. My journey began more than twenty years ago when we launched the Lakota Fund on the Pine Ridge Reservation with the mission of creating a private-sector economy through financing and capacity-building for entrepreneurship development. My commitment continues to this day through a range of experiences from being an entrepreneur myself, to my roles with Oweesta and NFEC.

First Nations Oweesta Corporation was launched in 1986 as the Oweesta Program and Fund of First Nations Development Institute (First Nations), a Native non-profit established in 1980 and engaged in a long-term effort to build healthy reservation economies. Oweesta incorporated in 1999 as an affiliate of First Nations with the goal of continuing and expanding its direct role in developing the assets of Native people and communities at the local level. Oweesta provides training, technical assistance, investments, research and advocacy for the development of Native Community Development Financial Institutions (NCDIFs) and other support organizations in Native communities. As the only certified NCDFI intermediary in existence, our mission is to enhance the capacity of Native tribes, communities and peoples to access, control, create, leverage, utilize, and retain financial assets and; to provide access to appropriate financial capital

for Native development efforts. By focusing our efforts on reservations, traditional Indian lands, Hawaiian homelands, and Alaska Native villages, Oweesta has become the leading expert in meeting the needs of new, emerging and established NCDFIs in Native communities across the country.

My testimony is also informed by my role as the Chair of the Native Financial Education Coalition. Oweesta's work to spearhead the coalition and my role as the Chair of NFEC, is a testament to our conviction that financial education is at the very foundation of effective economic development in all communities, and especially Native communities. The Coalition consists of local, regional, and national organizations, both Native and non-Native, working together to achieve the common goal of promoting financial education in Native communities. Started initially through the U.S. Department of the Treasury in 2000, the now-independent Native Financial Education Coalition has the mission to:

1. Increase awareness of the need for adequate personal finance skills in Native communities;
2. Build the capacity of Native governments and organizations to provide financial education; and
3. Support each other's efforts to promote financial management skills through information sharing and collaboration.

The Need for Credible Institutions

It is a truism of economic development theory that credible institutions are essential to successful development, yet most Native communities lack the nonprofit institutions that are taken for granted in urban and rural communities around the country and many lack a developed private sector economy. The situation is even more serious when it comes to mainstream financial institutions. According to the *Native American Lending Study (NALS)*, conducted by the CDFI Fund in 2001, 15 percent of Native communities are more than 100 miles from the nearest ATM or bank, and 86 percent of Native communities lack a single financial institution within their borders. The *National Strategy for Financial Literacy (NSFL)*, released last month, demonstrates that this problem persists to the present. The report explicitly identifies Native communities as underserved by financial institutions and in need of specific strategies to increase the availability of "financial services resources."

The lack of financial institutions poses a fundamental problem in accessing basic financial services but, perhaps more seriously, it makes business financing almost impossible to obtain. The *NALS* found that over 60 percent of respondents reported business loans were difficult (37 percent) to impossible (24 percent) to obtain. That rate rose to almost 70 percent with loans of \$100,000 or more. Analysis by *NALS* of investments in Native American and Native Hawaiian economies revealed a \$44 billion gap from those in the United States economy as a whole.

To address this need for strong financial institutions, Oweesta's main goal is to help Native communities to create NCDFIs. These organizations are community based financing entities governed by representative boards that meet this need for accessible, affordable loans and other financial products that are often tied to intensive training and technical assistance. CDFIs have

been around for many years, but when Congress created the CDFI Fund under the Department of the Treasury back in 1994 there were very few established NCFIs. In fact, before 2000 only five NCFIs had received certification from the CDFI Fund. Today, as a direct result of Oweesta's work in partnership with the CDFI Fund, there are over 80 Native financial institutions in various stages of the development and certification process, including 36 certified NCFIs. These institutions form the foundation to develop the private sector and lead the emergence of a nonprofit sector in reservation economies.

Strategies for Building the Private Sector Economy

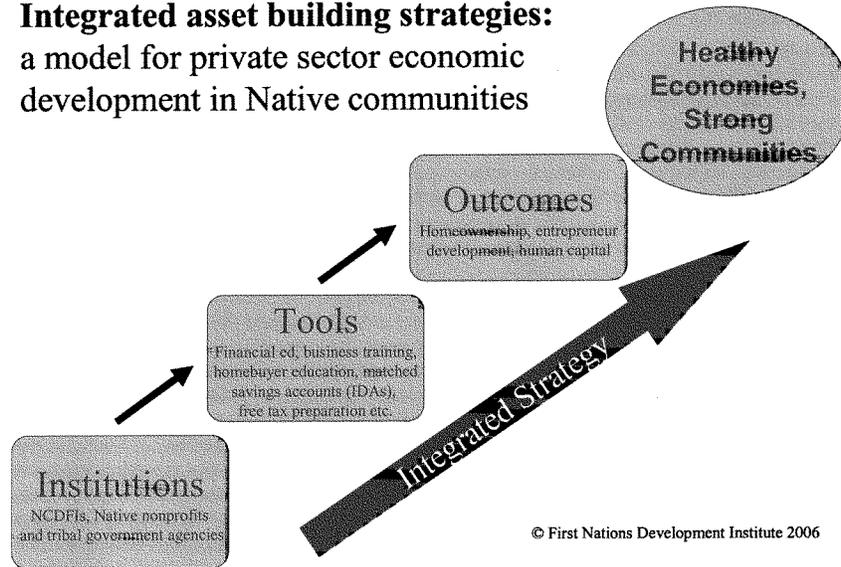
The graphic below explains “integrated asset building strategies” as a model for building stronger reservation economies and therefore stronger Native communities. The graphic itself was developed by our colleagues at First Nations Development Institute but it describes the work that Oweesta does, together with our national, regional, and local partners, every single day. It describes a proactive, holistic and long-term approach to the challenges of poverty in Native communities. One reason for this hearing is that many Americans seem to assume that Indian gaming has ‘solved’ the problems created by poverty in Native communities. However, as the members of this Committee know all too well, gaming has been a boon to only a small number of tribes and many Native people, regardless of income, still lack the basic resources to protect their financial future (even if their governments own profitable enterprises).

“Integrated asset building” is a term that was developed to describe what community-based organizations are *doing* in Native communities to address the challenges of poverty. The structure of the graphic is not unintentional. Strong institutions, particularly NCFIs, are at the very foundation of successful, culturally appropriate economic development in Native communities. Many of these institutions are developing an integrated range of services including education (e.g. homebuyer education, business training) and financial products (e.g. Individual Development Accounts (IDAs), loans, checking and savings accounts), among others. These services are tools used by the institutions to engage tribal citizens and achieve desirable outcomes for Native individuals and families such as: homeownership, small business development, and increased human capital through access to post-secondary education. The circle in the upper right, ‘Healthy Economies, Stronger Communities,’ represents the fact that many of these institutions see their role as not just assisting individuals and families but building a healthier economy and stronger community.

An underlying foundation of all effective economic development, that is implied but not explicit in the graphic, is the role of financial education in preparing effective leaders and citizens in every sector of Native society. We cannot have effective tribal leaders if they do not have the information they need to make good financial decisions for themselves and their communities. We cannot have effective business leaders if they lack good financial management skills. We cannot have a vibrant nonprofit sector without leaders who are able to fundraise and manage money in a transparent and capable fashion. The NFEC recently signed a Memorandum of Understanding with the National Indian Education Association (NIEA) to emphasize our agreement with former Federal Reserve Chairman Greenspan’s statement that “financial education is a process that should begin at an early age and continue throughout life” (quoted in

NSFL). Investments in youth financial education have been proven to positively impact parents and other community members and constitute a long-term investment in the future health of reservation economies and strength of Native communities. I regularly work with tribal and state leaders to emphasize the importance of financial education but I encourage the members of this Committee to take the initiative in preparing schools and community organizations, through funding for teacher training and program implementation, to integrate financial education concepts at all levels of K-12 education.

**Integrated asset building strategies:
a model for private sector economic
development in Native communities**



The Impact of Successful NCDFIs

South Dakota

The story of the Lakota Fund and the growth of NCDFIs in South Dakota illustrate the critical role of strong, independent institutions in improving the economic situation of Native communities. When the Lakota Fund began lending in 1986 we conducted a survey that revealed that 85 percent of our borrowers had never had a checking or savings account and 75 percent had never had a loan. Other challenges included: a lack of business experience as less than five percent of our borrowers had ever owned a business before; the fact that business ownership had

never been a part of Lakota culture; and the more contemporary perception that businesses should be owned by the tribal government, instead of by individual entrepreneurs.

In spite of these enormous barriers to success and in a context where we lacked a local support network, more than 20 years of operations at the Lakota Fund has led to over 600 loans, most ranging from \$1,000 – \$75,000, for a total of over \$3 million invested in reservation entrepreneurs. In addition, training, technical assistance, and marketing services have been offered to hundreds of Native business owners, including 1,600 arts and crafts micro-entrepreneurs. The loans and related services have leveraged significant private sector growth with businesses such as the Crazy Horse Construction company that has grown from one part-time subcontractor to a multi-million dollar company. The Big Bats Convenience Store is another example of tremendous success, and currently has over \$1 million in revenue. These businesses, together with many others that the Lakota Fund provides assistance to, have significantly impacted income growth and contributed to a decline in unemployment on Pine Ridge. Analysis by *South Dakota Business Review* in June 2003 began to quantify the impact of this work to develop a private sector economy on Pine Ridge. According to its analysis, since 1985 real per capita personal income in Shannon County (encompassing the Pine Ridge Reservation) grew by 80 percent compared to statewide growth of 44 percent. Furthermore, Shannon County's employment growth of 80 percent during the 1990s was the second fastest of all South Dakota counties.

Beyond direct services, the Lakota Fund played a central role in establishing the Pine Ridge Area Chamber of Commerce (PRACC). Over the past several years, the Lakota Fund has worked with PRACC and the Oglala Lakota tribal government to create and amend laws to provide a more conducive environment for the development of private enterprise on the reservation. Recent efforts to establish the Wawokiye Business Institute (WBI), in partnership with Oglala Lakota College and PRACC, have begun to build a permanent foundation for an improved culturally sensitive business environment on Pine Ridge.

The many years of hard work at the Lakota Fund have not gone unnoticed, as other Native communities in South Dakota, facing similar problems, have begun to see the critical role NCDFIs play in developing a private sector economy. On the Cheyenne River Reservation for example, Four Bands Community Fund (Four Bands), a certified Native CDFI, looked to the Lakota Fund for lessons learned in the development of their NCDFI. The organization was established in 2000 to meet the significant economic challenges facing the community. In just six years of operation, Four Bands has made 71 loans totaling \$322,974, helped create or retain 107 jobs on the reservation and graduated 103 people from their business training course. As part of their integrated strategy Four Bands offers basic financial education in local schools and has developed a youth entrepreneurship program to impart financial and business management skills to the next generation of Native leaders. In addition to Four Bands, there are at least seven other Native financial institutions in various stages of development in the state of South Dakota alone.

Arizona

Chairman McCain's state of Arizona is one of the leading states in the development and implementation of integrated asset building strategies in Native communities. Arizona is home to

11 Native financial institutions in various stages of development including Hopi Credit Association which has been in operation since 1952 and was among the first NCDFIs to receive certification from the CDFI Fund. Over the past five years, Hopi Credit has made loans totaling an average of \$1 million a year, leveraging off-reservation funding sources from private foundations, banks, the tribe, and the federal government. Navajo Partnership for Housing (NPH), a NCDFI established in 1996, with the goal of building a real estate market on and around the Navajo Nation, has generated over \$19 million in mortgage loans since they began. Almost \$17 million of that impact has come since they received certification in 2002. As a part of its work to prepare the Navajo people for homeownership, NPH has initiated a Navajo Nation-wide financial literacy campaign, offered homebuyer education classes to over 2000 community members, free-tax preparation services through the Volunteer Income Tax Assistance program of the IRS, and an Individual Development Account (IDA) program that provides match dollars and financial education to aspiring homebuyers.

As I described in reference to my own state of South Dakota, successful models lead to even more successful models when other communities realize how NCDFIs act as catalysts for economic growth in their community. For example, the Salt River Pima Maricopa Indian Community has recently launched a CDFI. They combined the success and lessons learned of lending through its Housing Division and the desire and needs of Community members to create and start new businesses. Through joining business and mortgage lending and combining it with financial education, community members will have the support and coaching necessary to expand entrepreneurship and address housing needs. The 'ripple effect' of NCDFIs reverberated at Salt River when the executive director of the Citizen Potawatomi Community Development Corporation (CPCDC), a certified NCDFI in Oklahoma, was invited to explain to the Salt River Tribal Council the impact an NCDFI had on their community. This partnership led to successful passage of a resolution of support for the creation of the NCDFI at Salt River.

A broader example of efforts to build Native communities' interest and awareness in integrated asset building strategies is the newly launched Arizona Native Assets Coalition. NPH, Hopi Credit and Salt River Housing Division, in addition to numerous other Native nonprofits, tribal agencies, and non-Native organizations, are involved in this Coalition composed of organizations seeking to provide peer-mentoring and networking opportunities to build interest in asset building strategies like NCDFIs throughout the state. This infrastructure is present because Arizona is home to 20 percent of the nation's Native Individual Development Account (IDA) programs, one of the highest numbers of Native financial institutions and an innovative Volunteer Income Tax Assistance program run by the Inter Tribal Council of Arizona in several reservation and urban communities.

The states and programs I have discussed just scratch the surface of the impact NCDFIs and integrated asset building strategies are having in Native communities around the nation. Indeed, few (if any) states represented by Senators on this Committee are without a certified NCDFI and/or other Native financial institution currently in development. None are without at least one credible Native institution seeking to develop integrated asset building strategies for the benefit of individuals, families and tribes that positively impact the economic health of the entire state that each Senator on the Committee represents.

Individual Development Accounts (IDAs) – A Tool for Engaging Future Entrepreneurs

IDAs are matched savings accounts utilized by NCDFIs and other Native organizations as a tool to engage future entrepreneurs, provide start-up capital and prepare them for successful business ventures. IDA programs are generally funded by public and private sources to offer low- and middle-income people assistance in reaching their goals of homeownership, entrepreneurship, post-secondary education, and other appreciable assets. Participants in IDAs attend financial education classes and receive match dollars to encourage positive savings and provide capital to meet financial goals that are otherwise unattainable. The match is generally at least one dollar for every dollar saved, but is often more than that. The only dedicated federal funding source for IDAs, the Assets For Independence (AFI) program, explicitly excludes tribes from receiving direct funding.

NCDFIs, Native nonprofits, and tribal government agencies have successfully modeled this asset building strategy to the benefit of over 1000 savers since the first Native IDA program in 1998. In spite of their inability to access AFI program dollars, Native IDA programs have been able to access some federal funding, primarily from the Department of Housing and Urban Development. Successful programs have also leveraged federal investments to access a range of funding from private foundations, tribal and state governments. Partially because of this funding reality, more than half of Native IDA graduates use their savings to purchase or repair their home. While these housing programs meet a critical need in Native communities, the lack of direct access to federal IDA funding that can support aspiring Native entrepreneurs unnecessarily restricts the Congress's investment in healthy reservation economies.

Necessary Congressional Action to Partner with Native Communities

This testimony follows closely on a successful Capitol Hill policy briefing held by the Native Financial Education Coalition on April 27, 2006. I am submitting a copy of the policy brief, presented at the briefing, that I would like to enter into the record along with my formal testimony. The brief identifies five policy priorities, some of which I have covered during my testimony. Those priorities are:

1. Institutions
2. Youth financial education
3. Individual Development Accounts (IDAs)
4. Predatory Lending
5. Earned Income Tax Credit (EITC) and Free Tax Preparation

Specifically, in light of the ongoing impact of NCDFIs and their capacity to leverage private and other non-federal dollars to develop reservation economies, I thank many members of the Committee who have already endorsed the 'Dear Colleague' letter, circulated by Senator Santorum and Senator Menendez, that supports the restoration of the CDFI Fund's appropriation to \$80 million in FY07. I urge all the members of this Committee to endorse this important investment and to support the restoration of Native American Initiative funding, within the \$80 million, to \$6 million. More broadly than that, I also invite the Committee to partner with tribal

governments, Native nonprofits, and Native-owned businesses to support the growth of healthy reservation economies through important government programs like the CDFI Fund.

The NFEC policy brief also recommends that the Congress amend the law to allow tribes to apply directly for IDA funding through the AFI program. It further recommends the creation of a Native set-aside to fund IDA programs that serve Native communities. This strategy has been very successful at the state level and in other federal funding programs. I urge the members of the Committee to work with NFEC, First Nations Development Institute, and other partner organizations to see Native communities more effectively served by federal IDA funding sources.

My testimony has highlighted the long-term nature of the challenges facing Native communities. Long-term problems require long-term solutions, and I believe there are few better investments in the future vitality of Native economies and communities than funding youth financial education. There is much to be said about opportunities for members of the committee to support youth financial education. In the limited time I have available I simply point you to the two recommendations of the NFEC policy brief that Congress:

1. Support vehicles, like Children's Savings Accounts, that encourage young people to develop financial skills and save for durable assets.
2. Provide adequate funding for schools and other programs to develop and implement youth financial education that is culturally appropriate and effective in imparting pertinent financial management lessons.

In concluding my remarks, I want to emphasize that the institutions and strategies I have described are not ends in and of themselves. The CDFI Fund is not just another 'program' that wants more funding. It is a critical federal initiative that supports the development of credible institutions that build the private enterprise sector of reservation economies and provide leadership to the emerging nonprofit sector. CDFIs are a proven model and a worthwhile investment in the future of reservation economies. The Congress has an opportunity to restore that investment and to further invest in successful tools like IDAs that provide much needed capital and prepare Native people to become owners of assets like homes and businesses. Youth financial education is perhaps the most obviously productive investment that will resonate for generations to come. I urge you to support increased funding to prepare all Americans, and Native people particularly, for successful economic futures.

I would like to commend the Committee for its commitment to Native communities and particularly the issue of economic development and strategies for building healthy reservation economies and stronger Native communities. Thank you for the invitation to testify, and I welcome any questions you might have.

(Attachment: NFEC 2006 Policy Brief)

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Elsie Meeks, an enrolled member of the Oglala Lakota Tribe, is the executive director of First Nations Oweesta Corporation (OWEESTA), a subsidiary of First Nations Development Institute. OWEESTA provides investment capital, technical assistance and training to help start Native community development financial institutions. In addition, through its *Building Native Communities: Financial Skills for Families* curriculum and addendums, OWEESTA is committed to providing culturally appropriate financial education to Native communities. OWEESTA spearheads the Native Financial Education Coalition, and Elsie serves as chairperson.

Elsie has over 20 years experience working for Native community economic development. Prior to her leadership and work at OWEESTA, Elsie was active for 15 years in the development and management of The Lakota Fund, a small business and microenterprise development loan fund on the Pine Ridge Reservation in South Dakota. Elsie has recently completed a three-year term on the Federal Reserve Board's Consumer Advisory Council. She serves as chairperson of The Lakota Fund and sits on the boards of Opportunity Finance Network (formerly National Community Capital Association), Corporation for Enterprise Development, Northwest Area Foundation and the Oglala Sioux Tribe Partnership for Housing. She is also an International Advisory Council member of Native Nations Institute and on the Board of Governors for the Honoring Nations program of the the Harvard Project on American Indian Economic Development. She recently completed a six-year term on the U.S. Commission on Civil Rights and was the first Native American to serve on the Commission.

**STATEMENT
OF
DR. ROBERT W. MIDDLETON
DIRECTOR, OFFICE OF INDIAN ENERGY AND ECONOMIC
DEVELOPMENT
OFFICE OF THE ASSISTANT SECRETARY- INDIAN AFFAIRS
DEPARTMENT OF THE INTERIOR
AT THE OVERSIGHT HEARING
BEFORE THE COMMITTEE ON INDIAN AFFAIRS
U.S. SENATE
CONCERNING ECONOMIC DEVELOPMENT IN INDIAN COUNTRY**

May 10, 2006

Good morning, Mr. Chairman and Members of the Committee. My name is Bob Middleton, and I am the Director of the Office of Indian Energy and Economic Development at the Department of the Interior. Thank you for inviting me to address Economic Development and more specifically, our recent labor report and unemployment in Indian Country.

Congress mandated the biennial collection and publication of statistics on Indian populations residing on Indian lands and the associated Indian labor force in the Indian Employment, Training and Related Services Act of 1994.

The Department of the Interior believes that Indian workforce information is a critical indicator of an Indian community's well-being or distress. For example, the employment rate is an indicator of community well-being. Likewise, the unemployment rate or the rate a community's population is employed below poverty guideline is an indicator of community distress.

Information on Indian employment is also a critical social-economic factor in the Department's program planning and execution and can be used as proxy measures of the social-economic conditions in a given Indian community. For example, an Indian community that has a very high unemployment rate usually tends to have higher public safety and crime rates, increased alcohol and drug use rates, higher public assistance rates, decreased rates of access to health care, and increased rates of domestic violence. This allows us to use the unemployment rate as a long-term social and economic services demand indicator.

The biennial Indian labor force report is the only known comprehensive and certified accumulation of data on tribal enrollments, service population, workforce, and employment. It is used for a wide range of purposes by an equally wide range of users, including State and local governments, private sector organizations, and tribes for the purpose of designing, planning and developing Indian programs; budget planning; determining financial assistance to Indians; grant submissions; and other needs.

The labor force report is also used by tribes, in combination with a community profile, as a positive marketing tool, showing governance stability, efficient governing institutions, effective community support systems and mechanisms, and solid community support, which demonstrates the community is a good place to locate businesses, put venture capital, or capitalize on an untapped labor pool.

It is important to note when viewing the BIA labor force report that the unemployment rate reported is calculated differently from what Americans commonly associate with the monthly unemployment rate reported by the Department of Labor for the population in general by law. While the Department of Labor bases its rate on the number of unemployed actively seeking employment, the labor work force report identifies the total number of Native Americans 16 years old and older who are unemployed whether they are seeking employment or not. For example, this means that someone 80 years old and not employed is counted as unemployed in the labor report. If the Department of Labor used the same measure, the unemployment rate for the general public would be several orders of magnitude higher than what the Department of Labor is currently reporting.

However, no matter how one analyzes the data in the labor report, there is no dispute that reservation unemployment has been too high for too long. The 2000 Census tells us that real per capita income of Indians is less than half of the U.S. level and that Indian unemployment is more than twice the U.S. rate.

Chronic joblessness seems endemic to many parts of Indian Country, resisting all antidotes, plaguing one generation to the next. In many cases, the sheer remoteness or isolation of some reservations is an enormous hurdle that tribes must overcome to get capital flowing into their reservation rather than out of the reservation. There is no doubt that this is certainly a factor in trying to establish markets for goods, services, on-reservation businesses or off-reservation workforces. The geographic limitations of some tribes, however, can be mitigated to some extent by technology. However, there are not many remote tribes that have been able to establish present-day technology, such as high speed broadband internet access, which can be the basis for many types of business development.

Although the remoteness of many reservations from markets and services might provide a partial explanation for high unemployment rates, it does not explain why Indian joblessness lingers on despite good economic times in adjoining non-Indian communities.

For example, according to Census data, Buffalo County, South Dakota is America's poorest county. About 2,000 people live there. The median household income is less than \$13,000 and the unemployment rate is at worse than Great Depression levels. Yet, just to the east of Buffalo County is Jerauld County, which is similar in size and population. There, the median household income tops \$30,000, and the unemployment rate is a scant 3%. A recent article by John J. Miller in the *Wall Street Journal* noted the disparities between these neighboring counties and found that the main difference between them is

that the Crow Creek Indian Reservation occupies much of Buffalo County. As Miller notes, "The place is a pocket of poverty in a land of plenty."

Like virtually all Americans, we are saddened that any communities within the boundaries of the United States should not be able to share in this Country's success and persist as "pockets of poverty." And we are not willing to accept that they should remain so.

While success in improving the economies of these Indian communities has been uneven, we believe that we do have a clearer understanding of how they became "pockets of poverty" and why reservation unemployment is different than unemployment elsewhere even though unemployment is calculated differently by BIA and the Department of Labor.

One thing we know for certain is that "one size fits all" does not work to address the unemployment and under-employment issues on reservations. That is why we are taking a focused approach to work with individual tribes to identify and nurture economic development opportunities that fit best with a tribe's resources, workforce, markets, and culture.

For the most part, tribal members have a hard time creating and sustaining jobs because of a number of roadblocks. In addition to the obstacle of remoteness, these include (1) collateral to obtain capital; (2) access to financial services; (3) technical know-how to access what capital is available; and (4) the legal, corporate, and judicial infrastructure necessary to assure participation by outside investors.

I want to discuss, first, the nature of those roadblocks. Then, I would like to describe some significant resources development opportunities that we are fostering in Indian Country. Development of those resources can translate into jobs. And, finally, I want to tell you how our former Secretary Gale Norton and Associate Deputy Secretary James Cason established our new Office of Indian Energy and Economic Development to promote the Department's focused approach to assist individual tribes to overcome these economic obstacles, develop and market resources, foster new economies, and create employment.

Historically, it has been tougher for Native Americans to obtain financing than perhaps any other group in the U.S. -- not because they are any less credit worthy, intelligent, industrious, or ambitious than the rest of us -- but because they often do not own land in fee to offer as collateral for loans and lenders are reluctant to enter into financing agreements because Tribes are sovereign and lenders see limited venues to resolve disputes with Tribes in court. Most Indian land is held in trust for tribes and Indian individuals. Trust lands cannot be used as collateral for a mortgage or loan because the lender has no ability to foreclose on them and then sell the land.

This inability to put up land as collateral for business loans is not the only financing limitation Indians seeking to start businesses and create jobs must face. Lack of access to financial services is also a problem. In 1999, the U.S. Department of the Treasury conducted a series of workshops, surveys and roundtables to examine Indian access to capital and financial services. 24% of the Native Americans interviewed told the government that business loans were "impossible" to obtain. Treasury's report estimated that the "investment gap" between Native American economies and the U.S. overall totaled \$44 billion. The report also found that although 85% of financial institutions on or near Indian lands offer deposit accounts to Native American residents, only half of those institutions provide personal consumer loans.

When would-be Indian entrepreneurs can find a lending institution that will consider them for a business loan, many of them lack the expertise to put together the business plan, which includes market analyses, return on investment calculations, and capital investment and life cycle analyses, necessary to close the transaction and obtain financing.

Ready access to investment capital has enabled many generations of other Americans, including recent immigrants, to launch small businesses. According to the Small Business Administration in their *2005 Small Business FAQ*:

- Over the past decade, small business net job creation fluctuated between 60 and 80 percent (of total jobs),
- Small businesses generate more than 50 percent of the nonfarm private gross domestic product (GDP).
- Small businesses employ half of all private sector employees.

But this has not been the case for Native Americans. According to a 2003 report by the Kauffman Center for Entrepreneurial Leadership, "Native Americans owned and started the *fewest* small businesses of all minority groups in the U.S."

Without capital, there is no enterprise; without enterprise, there are no private sector jobs.

In addition, the legal, corporate, and judicial infrastructure of some tribes increases the reluctance of non-Indian companies to invest in Indian Country or participate in joint ventures because they view reservations as risky places to do business. This reputation is perpetuated because many reservations have not adopted uniform commercial codes, created independent court systems administered by trained jurists, or found ways to establish continuity of tribal business policies through sometimes frequent leadership changes.

Too often, the management of tribal corporations interlocks closely with tribal government leadership. As a consequence, the management of these corporations can shift with each tribal election, eroding business certainty and investor confidence.

However, some tribes have recognized the need for government policy stability, certainty and continuity in the business environment, and transparency in rectifying business disputes. They have provided continuity in tribal leadership, separate business development organizations, and effective tribal laws and codes. Because of this they have shown significant recent success.

Native Americans want to honor tribal traditions and culture while achieving better lives for their families. And they are willing to work hard to accomplish that goal, given the opportunity. Although using the land itself for collateral may not be the economic key, some of the brightest prospects in the Indian economic landscape may be the natural resources on and under that land.

The Department of the Interior recognizes these issues and has committed both budget dollars and personnel to addressing each of these roadblocks to economic progress in Indian Country. Secretary Norton signed a Secretarial Order in April of 2005, establishing an Office of Indian Energy Resources Development with the intent that this office would address economic development issues through the facilitation of energy and mineral development.

However, it quickly became apparent that this was only one part of a solution to foster economic development in Indian Country. Following discussions among Deputy Associate Secretary Jim Cason, Acting Principal Deputy Assistant Secretary Michael Olsen, and Director of BIA Patrick Ragsdale on how to approach these roadblocks, it was decided that the Department needed to provide a more holistic approach to initiate and nurture economic development for Tribes and individual Indians.

Subsequently, the Office of Indian Energy Resource Development was renamed the Office of Indian Energy and Economic Development. Important program components were combined to form an office that could take a broader approach to addressing the roadblocks to economic success in Indian Country. The office has been functioning as a unit for the last nine months, and we are currently finalizing changes to the Departmental Manual that will provide more permanence for the new office.

Given the vast job creation potential of the Indian Country resources I have described, it is natural that, when the Department formed the Office of Indian Energy and Economic Development, that a number of programs were linked together as a team. These programs include those whose main focus is Native American economic development. These are:

- The Division of Capital Investment.
- The Division of Economic Development.

- The Division of Workforce Development.
- The Division of Energy and Mineral Development.

Under the direction and management of the Office of Indian Energy and Economic Development, these four divisions are helping tribes and tribal entrepreneurs obtain capital for job creation, implement infrastructure reforms conducive to economic progress, and develop resources prudently and in a manner beneficial to tribes. Deploying all of our Indian economic development specialists onto one team certainly makes sense organizationally—but, I believe it will also make us far more effective.

The **Division of Capital Investment (DCI)** operates the Loan Guaranty Program. Congress enacted the Indian Financing Act of 1974 (P.L. 93-262) to assist tribes to become self-sustaining and to improve their standard of living. The Act as amended established the Loan Guaranty Program to help Indians gain access to capital by having the federal government guarantee loans from the private sector to promote economic development for tribes, individual Indians, and Alaska Natives. Congress passed this law specifically to provide tribes with capital on a reimbursable basis to help them start business enterprises and manage and develop their own natural resources. This year, the DCI will be guaranteeing \$117 million in loans by private lenders to Indian and Alaska Native enterprises. This program is bridging the investment gap I described earlier in my testimony and, in the process, jumpstarting many Indian businesses that, in turn, are creating new jobs.

The **Division of Economic Development (DED)** is helping tribes obtain the technical know-how necessary to launch new enterprises. It administers and funds feasibility studies for proposed tribal businesses. Where studies funded by these grants show that proposed projects are economically viable, those studies can become a basis for attracting private capital. It is also funding the preparation of detailed strategic development plans for tribes, working with economic development experts from academia and the private sector to guide tribes down the most profitable, sustainable, and prudent development paths.

In addition, DED's Native American Business Development Institute has established partnerships with leading graduate schools of business in which prominent business educators and their students prepare business plans for tribal enterprises and projects. It also operates a Native American Energy and Mineral Institute to educate tribal leaders on management and marketing of tribal energy and mineral resources.

The Division of Economic Development is also assisting tribes to improve their business and legal infrastructures by encouraging them to expeditiously adopt and implement uniform commercial codes based on the Model Tribal Act authored in June, 2005 by the Native American Work Group of the National Conference of Commissioners on Uniform State Laws. DED is currently administering code development grants to the Chippewa Cree Tribe, Crow Nation, and the Shoshone and Arapaho Tribes of the Wind River Reservation. Tribes likely to seek DED grants for code development include the Sac and

Fox Nation of Oklahoma, Confederated Tribes of the Warm Springs Reservation, Seminole Tribe of Oklahoma, and the Oglala Sioux Tribe.

We believe that adoption of these codes will ensure predictable and fair enforcement of rules so that reasonable commercial expectations of outside investors and joint venture partners can be fulfilled. Finally, DED is training tribal enterprises and entrepreneurs for government procurement and “Buy Indian” opportunities.

The **Division of Workforce Development** (DWD) implements Public Law 102-477 program, or, the “477 Program” as it is known. The 477 Program allows tribes greater flexibility in the management and use of funds provided by the Federal government for employment, training and related services. The law, as amended, also permits tribes to use up to 25% of their federal monies for economic development and job creation purposes.

This program allows tribes to combine 12 different federal programs from three Federal Departments (Labor, Health and Human Services and Interior) into a single program to help Tribes provide the education and training necessary for their members to obtain meaningful employment.

This “one-stop-shop” significantly streamlines the Federal process and increases the efficiency of delivering needed services. Combining these programs also reduces the administrative costs to Tribes by having a single plan, budget, and reporting system. This allows Tribes to focus additional resources on the unemployed and underemployed tribal members.

The **Division of Energy and Minerals Development** (DEMD) is staffed by petroleum engineers, geophysicists, geologists, and renewable energy specialists who provide technical assistance to tribes who chose to develop their energy and mineral resources. This includes assistance to identify the extent and value of the resources, assistance in negotiating beneficial working agreements with developers, and guidance through the often complex and time consuming regulatory approval process.

I would like to spend a few minutes to talk a little more about the energy and mineral potential of Indian Country. Absent gaming opportunities, energy and mineral development represents the best near-term solution for many tribes to promote economic development for their tribal members.

The Office of Indian Energy and Mineral Development has been given the responsibility for promulgating and implementing the regulations for Tribal Energy Resource Agreements, as authorized under Title V of the Energy Policy Act of 2005. Use of these TERAs could provide significant flexibility for tribes that choose to develop their energy resources for economic purposes.

The economic potential of energy and mineral resources in Indian land is significant. It is estimated that Indian lands hold the potential to produce over 5.3 billion barrels of oil¹ and 37.9 trillion cubic feet of natural gas.²

These estimates of Indian oil and gas are based in part on the amount of oil and gas that the U.S. Geological Survey believes is *technically* recoverable from Indian lands.³ Because much of Indian land has not seen the same extent of exploratory activity and data collection as adjacent Federal, State, or private land, some petroleum geologists believe that the resource estimates may, in fact, be understated. In addition, Indian Country holds another 53.7 billion tons of recoverable coal.⁴

Renewable energy resources are abundant also. For example, Indian Country encompasses some of the premier wind regimes in the U.S. and has the potential for generation of 535 billion kWh per year (total U.S. electric generation in 2004 was 3,853 billion kWh).⁵

¹ U.S. Geological Survey (USGS), *Circular No. 1118*, "1995 National Assessment of United States Oil and Gas Resources." DEMD's assessment of Indian gas and oil resources was based largely on this study, which estimated undiscovered oil prior to 1995. Many technological breakthroughs have occurred in oil exploration and development since 1995. Therefore, DEMD supplemented the USGS estimates with a methodology that acknowledged new oil recovery techniques, such as in-fill and horizontal drilling.

² *Id.* In addition to this USGS estimate of undiscovered Indian natural gas, DEMD relied upon *Executive Summary – Assessment of Undiscovered Oil and Gas Resources of the Uinta-Piceance Province of Utah and Colorado*, USGS Uinta-Piceance Assessment Team, USGS Digital Data Series DDS-69-B, 2002; *Natural Gas Resources of the Greater Green River and Wind River Basins of Wyoming, Final Version* – February, 2003, U.S. Department of Energy, Office of Fossil Energy, National Energy Technology Laboratory; *Rocky Mountain Giants*, Colorado School of Mines, Department of Geology and Geological Engineering, M. Ray Thomasson and Fred Meissner; and 1995 *Assessment of United States Oil and Gas Resources – Results, Methodology, and Supporting Data*, USGS Digital Data Series DDS-30, Release Two, 1996.

³ The USGS uses "play analysis" to estimate these volumes. A "play" is a set of discovered or undiscovered oil and gas accumulations that exhibit nearly identical geological characteristics. The utility of "play analysis" is that it correlates hydrocarbon accumulations to known geological features, rather than to resources that are not technically recoverable, such as oil from oil shale or gas from hydrates. The volumes derived are calculated from the percentage of each USGS oil and gas play occurring on Indian lands. Based on a probability model, the amounts were calculated for undiscovered oil and gas at a 50-percentile probability of recovery. Oil and gas units were reduced to "Barrels of Oil Equivalent," based on energy equivalence in BTUs, a standard industry practice.

⁴ *Id.*, USGS *Circular No. 1118*. Increased coal supplies may quicken conversion of many electric power plants now fueled by natural gas, thus freeing up natural gas stores for other uses, including home heating. Over 90% of power plants built in the last five years are natural gas powered ("Natural Gas Facts," www.api.org). However, mine-mouth coal fired power plants on Indian lands could meet future electrical generation demands.

⁵ "Potential Wind Generation From Tribal Lands," National Renewable Energy Laboratory, U.S. Department of Energy (DOE). Wind blows in excess of 18 miles per hour across most of the Dakota, Montana, and Wyoming reservations (*World Watch*, "Falling Water, Rising Wind," Bob Gough, July/August, 2005).

Almost all Indian lands evidence some form of biomass energy potential, from woody biomass from forestlands and bio-diesel and ethanol production from agricultural and silviculture waste to the growing and use of energy crops. We have identified 118 reservations with a high potential for biomass production.

Tribes in Nevada, California, Oregon, North Dakota, and South Dakota, and pueblos in New Mexico also have potential to tap geothermal energy resources, while Indian lands in the Southwest and West present opportunities for solar energy development.

Hydrocarbon production in Indian Country has been significant and has much future potential. Nearly two million acres of Indian lands have already been leased for hydrocarbon energy production. These lands account for about 10% of the oil and natural gas production from federal onshore acreage. In 2004 (the last year for which figures are available), over \$54 million in royalty revenues was reported for Indian oil production and over \$200 million for Indian gas production.⁶ As of 2000, these lands had produced a total of nearly 1.7 billion barrels of oil (valued at \$15 billion) and 6,507,217,123 mcf of gas (valued at \$8 billion).⁷

However, Indian Country has an additional 15 million acres of still *undeveloped* lands with hydrocarbon potential. These lands are located in sedimentary basins with a long history of hydrocarbon production. Moreover, conventional oil and gas exploration and development that has occurred on Indian lands has generally taken place at shallow to medium depths; millions of acres of such land are relatively under-explored for unconventional and deeper resources.

We have been actively providing technical assistance to various tribes by purchasing and interpreting thousands of miles of 2D seismic data as well as hundreds of square miles of 3D data. These studies have identified numerous prospects, some of which are essentially ready to drill. Some of the prospects still require additional data collection and evaluation to more accurately identify exploratory and development targets

Besides energy development, another, sometimes understated, feature of Indian land that could lead to new jobs is its abundance of sand and gravel. America has a great need for construction grade aggregate and crushed rock, used for construction of roads, buildings, highways and bridges. This is especially acute on the West Coast. The California Department of Conservation estimates that Los Angeles County and San Diego County will run out of permitted reserves of aggregate by 2016; the depletion date for Orange County is 2009; and Ventura County will run out in 2009. Virtually every reservation, and particularly those in California, possesses sand and gravel.

⁶ "Reported Royalty Revenue for Fiscal Year 2004," Minerals Management Service, U.S. Department of the Interior.

⁷ *Id.*

In summary, the Department of the Interior does not consider Indian joblessness to be an inextricable feature of life in Indian communities. We and Tribal Governments grasp the reasons why Indian unemployment persists. We believe that we now have a team in place that will work with Tribes and individual Indian entrepreneurs to aggressively pursue solutions to those root causes preventing economic development in Indian Country.

Thank you again for the opportunity to testify today. I would be happy to answer any questions the Committee may have.

PREPARED STATEMENT OF LANCE MORGAN, CEO OF HO-CHUNK, INC.

Over the last 200 years the United States has developed arguably the world's best financial, legal and economic development system. But those battle tested economic and financial systems don't work on the reservation. It isn't that tribes and Native Americans aren't capable of economic success. Tribes had a complex economic and trading system based on mutual self-interest for thousands of years. Like all people we want to make sure that our families have the best available opportunities. But participating in the American economic system remains a far-fetched dream for tribal governments and tribal members because our hands have been tied behind our collective backs.

The Trust Land Economic System

I want to discuss briefly the economic system we are forced to function in. The consistent and long-term poverty of tribes has its roots in Federal policy. If I had to pick one reason we are poor, I would chose Federal trust land. When the Government created trust land it basically guaranteed our dependence on it for basic services and put a stranglehold on tribal entrepreneurial and economic development.

Trust Land can't be taxed by anyone including tribal governments themselves. This prevents tribes from using local property tax dollars and tax-exempt bonds to implement basic Government services. Other attempts at developing an alternative tax base are consistently attacked by overaggressive State governments and encouraged by the U.S. Supreme Court rulings. This lack of a tribal tax base results in tribes being dependent upon the Federal Government for education, health, roads, and police protection.

Trust land is also inalienable and therefore, can't be used as collateral for a loan. This effectively killed modern farming on my reservation. Tribal members simply couldn't go to the bank in the spring and get a loan to plant our crop. This forced our members to lease their land to non-Indian farmers and condemned our landholders to the bottom of the value added chain. In most years, the farmers receive more in Federal subsidies than we do in lease income.

Trust land also killed home ownership in Indian country. Owning a home has always been a path to create wealth in the United States. But you cannot get a normal mortgage on trust land. We have become life long renters. As a result, we never developed any equity in our homes. This lack of home ownership means inheriting meaningful wealth doesn't even enter our minds. No capital, no collateral, no intergenerational wealth transfer and no experience means owning your own business remains only a dream to most Native Americans.

The Federal Government has created this "Trust Land Economic System", which is an astounding failure. To make up for it the Federal Government creates small-scale band-aid lending and homeownership programs, which in essence are designed to try and recreate the American economic system on reservations. These programs are well intentioned but have almost no chance of addressing the underlying issue, which is that we don't control our own fate because our largest asset, our land and resources, is controlled by someone else—the Federal Government.

Stereotype Economic Development

Because meaningful Trust Land reform remains a controversial issue, we have to function in the Trust Land Economic System for now. Without a tax base and almost no hope of being allowed to develop one, we are told by the Federal Government to develop businesses, and to use the profits in lieu of taxes to provide for ourselves.

So what do tribes do? We exploit what we can. We historically have gone into low capital businesses that take advantage of all we have—tribal jurisdiction. Tribes have stereotype businesses that include things like gas, tobacco and now gaming. These aren't genetically hard wired into tribal DNA. These are businesses that allow us to create some type of advantage using our tribal jurisdiction.

The problem is that these businesses are controversial. Their existence is not viewed as part of a governmental development strategy, but as an unfair advantage given to a racial group. A cross border tax variance in price on gas or tobacco between States is acceptable and common, but if a tribe tries to create an advantage for itself it is called an unequal playing field. This type of attack is bitterly ironic when you consider that the entire economic system on reservations has clearly been slanted against tribes.

Now we have gaming, which has been the most successful use of tribal jurisdiction yet for economic development. But it too is under attack now. The tribes have never in our history of dealings with the United States been able to maintain anything of significant value. There is always a logical rationale, but in the end it is the same result and tribes are left wondering what happened? Because of the obvi-

ous threats to non-Indian interests, nobody believes that these jurisdiction-based businesses are the final answer. They are simply the first step. Tribes have to move up the economic ladder to the second stage of development. By taking the income from these controversial businesses and investing it into other types of businesses we will have a chance to create a permanent and self-sustaining economy.

SBA 8(a) Program and Diversification

One of the primary ways that tribes diversity their economy is the SBA 8(a) program, which allows tribes to break out of a cycle of economic dependence and move up the ladder of economic activity.

The company I run is fairly sophisticated, but it took us 4 years of hard work to figure out how to best utilize the SBA 8(a) program. We are currently doing projects for the Federal Government all over the United States and in three countries. In just a few years, we have been able to transform ourselves from a company dependent upon cheap cigarette and gasoline sales to one that is performing vital tasks for the Federal Government.

Without the SBA 8(a) program we would be stuck in the Trust Land Economic System and figuring out ways to get more gamblers and smokers to come to our reservation. This program has been hyped by the Federal Government for as long as I have been an Indian professional. It is astounding to me and beyond common sense that its success is being attacked. The SBA 8(a) program should be trumpeted as a clear sign that tribes are evolving their governmental, legal and corporate systems to participate at a higher level in the economic system.

In closing, our economic problems are not our own creation. We are doing what we can in an incredibly difficult development environment and are desperately trying to improve the lives of our members. You, as our leaders and controllers of our assets, have the ability to help or hurt us. I respectfully request you help us by allowing us to take control of our destiny and leaving in place meaningful incentive programs that help us help ourselves. Thank-You.

**STATEMENT OF THE
NATIONAL CENTER FOR AMERICAN INDIAN ENTERPRISE DEVELOPMENT
FOR THE
OVERSIGHT HEARING ON ECONOMIC DEVELOPMENT
BY THE
SENATE COMMITTEE ON INDIAN AFFAIRS
MAY 10, 2006**

The National Center for American Indian Enterprise Development (“NCAIED”) is pleased to present this statement to the Senate Committee on Indian Affairs for its oversight hearing on economic development in Indian Country. Formed in 1969 as a non-profit 501 (c)(3) organization, the NCAIED has evolved into a network of centers that provide technical assistance and management consulting services to Indian Tribes, Alaska Native Corporations, Native Hawaiian Organizations, and businesses owned by Native Americans, Alaska Natives, and Native Hawaiians nationwide. It is the longest serving Indian business development assistance provider, having begun offering its services over 35 years ago as the United Indian Development Association. In fact, UIDA presented significant testimony to this Senate Committee back in 1987 and 1988 at two important oversight hearings, first on “Indian Financing Act and Buy Indian Act” and then on “Barriers to Indian Participation in Government Procurement Contracting.”

It is fitting that this Committee now takes a fresh look at the barriers and other issues affecting economic development and diversification activities in our Native communities across the United States.

Earlier Oversight Hearings on Indian Business Development

The UIDA, now NCAIED, has always been a key player instrumental in spurring the progress of Native businesses, particularly in the procurement arena. For that reason, it presented testimony at both the 1987 and 1988 oversight hearings. The turning point came with the February 1988 Senate Indian Affairs Committee’s hearing on “Barriers to Indian Participation in Government Procurement Contracting.” The Committee intended, in part, to explore the need for more aggressive action to generate greater Indian economic development – action such as now Chairman John McCain’s 1987 proposal to establish a 5% Indian Incentive Set-Aside Program.

At the 1988 hearing, UIDA Executive Director Steve Stallings’ testimony even urged enactment of several special small and minority business procurement provisions to speed the growth of successful Native contracting companies. To show the need, Stallings testified that the numbers of firms owned by American Indians/Alaska Natives (“AI/AN”) lagged far behind those for other groups, with AI/AN businesses totaling 14,843 and generating gross receipts of just \$646.7 million. *See* Oversight Hearing on Barriers to Indian Participation in Government Procurement Contracting Before the Senate Select Committee on Indian Affairs, 100th Cong. 2d Sess. 80 (1988). These numbers represented only 1.8% of the total number of small businesses, and with a mere 1.4% in gross receipts of all minority-owned businesses, combined. Comparative figures showed: 248,141 Hispanic-owned with gross receipts of nearly \$15 billion; 339,239 African American-owned firms with gross receipts of \$12.4 billion; and 240,799 firms owned by Asian

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American and other minorities with gross receipts of nearly \$17.3 billion. *Id.* To reach parity with these other groups on a per capita basis, Stallings estimated that a 4,000% increase in Native business ownership would be needed.

Also testifying at the 1988 hearing was Ronald Solimon, then CEO of Laguna Industries, Inc., who now serves as Chairman of the Board of Directors of NCAIED. Mr. Solimon described how he had worked with Raytheon Corporation, the Department of Defense (“DOD”) and the Small Business Administration (“SBA”) to develop a model joint venture, under a Memorandum of Understanding among Laguna, DOD and SBA, that essentially permitted Laguna Industries to participate in the SBA’s 8(a) program, through a joint venture with Raytheon, and receive award of a DOD contract. So successful was this model that Mr. Solimon recommended to the Congress that Section 8(a) be amended to authorize Tribes to apply for 8(a) certification and permit them to joint venture with companies that can mentor them along the way.

The low level of federal (particularly defense) contract awards to Native-owned firms greatly concerned then Committee Chairman Daniel K. Inouye. He emphasized that “directing [the] purchasing power [of the U.S. Government] to accomplish social goals such as assisting disadvantaged members of society is well established” and charged that “unfortunately, . . . this public policy goal has not been achieved with respect to the participation of businesses owned by [N]ative Americans.” *Id.* at 2.¹ He then acknowledged that it is Native groups’ “common trust relationship with the United States” that would “allow[s] the Congress to legislate unique benefits and treatment for the Native Americans.” *Id.*

Responding to the recommendations made at the 1988 oversight hearing, the Committee later spearheaded several important legislative initiatives. The first was enactment of the 1988 amendment to Section 504 of the Indian Finance Act creating the 5% Indian Incentive Payment (“IIP”) program. The second was the Business Opportunity Development Reform Act adding the special provisions in Section 8(a) and the Small Business Act Section now applicable to companies owned by Tribes, Alaska Native Corporations (“ANCs”) and Native Hawaiian Organizations (“NHOs”). Congress included these special 8(a) provisions recognizing that Tribes and ANCs, as representative organizations, are responsible for generating continuing income and jobs for and improving the livelihood of hundreds or thousands of tribal members and Native shareholders. Accordingly, Congress permitted these representative organizations to operate multiple 8(a) companies simultaneously, without violating the affiliation rules and without limiting the size of the contracts that each 8(a) company could be awarded on a sole source basis.

In parallel action, the Congress also amended the Procurement Technical Assistance Centers Program to target assistance to Indian Country. It authorized creation of American Indian PTACs, or AIPTACs, designed to serve multiple Bureau of Indian Affairs areas. Many of these AIPTACs now operate within the network of the NCAIED’s centers, and help Native-owned

¹ The public policy referenced in Chairman Inouye’s 1988 statement derives from the U.S. Constitution’s grant to Congress of the power “to regulate Commerce . . . with the Indian Tribes.” Article I, § 8, ¶ 3. This Constitutional provision, and its interpretation in subsequent landmark Supreme Court decisions, gave rise to the federal government’s special political relationship with and trust responsibilities to the Tribes. See *Cherokee Nation v. Georgia*, 30 U.S. 1 (1831); *Worcester v. Georgia*, 31 U.S. 515 (1832). Thus Congressional enactments bestowing special rights to Tribes and ANCs are based on this political relationship and trust obligation, not on a racial classification designed to remedy past racial discrimination.

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companies learn how to navigate the complex federal procurement marketplace using the 8(a) program and other procurement and business development tools available to them.

NCAIED and Indian Business Development Today

As the NCAIED's mission is to *develop the American Indian private sector*, the NCAIED and its supporting centers have been the lifeblood of many Tribal and Native entrepreneurs' business ventures. The NCAIED fulfills its mission through federal cooperative agreements and events specific to Indian Country. The Center and its supporting non-profits have nine offices nationwide operating under the following nine federal cooperative agreements:

- ❖ Five American Indian Procurement Technical Assistance Centers ("AIPTACs") funded by the Defense Logistics Agency, Department of Defense ("DOD");
- ❖ Three Native American Business Enterprise Centers ("NABECs") funded by the Minority Business Development Agency ("MBDA"), Department of Commerce; and
- ❖ Tribal Technical Assistance Program funded by the Department of Transportation

The NCAIED operates its network of centers in the following locations; Mesa, Arizona and El Monte and El Segundo, California serving the Southwest area; Seattle, Washington assisting the Pacific Northwest area; Polson, Montana, serving the Northern Plains area; Marietta, Georgia through UIDA Business Services serving the Southeastern area; and Washington, D.C. through UIDA's service to the Northeastern area. These centers help the DOD, MBDA, the General Services Administration, Small Business Administration ("SBA") and other federal agencies in implementing many programs, including the Mentor Protégé program, the HUB Zone Program, the 5% Indian Incentive Program, Electronic Commerce/Electronic Data Interchange and myriad other defense requirements. The centers also provide training on how to register electronically with the Federal Government, how to identify marketing opportunities and market of goods and services, and how to navigate various procurement requirements (including the acquisition of commercial products). More general business services include helping businesses develop business plans, secure financing, find business partners, learn the federal procurement ropes, apply for 8(a) program certification, market their capabilities, identify contracting opportunities, prepare proposals, and win contracts.

In addition to their existing responsibilities, NCAIED's centers are implementing new procurement assistance projects, such as a web portal, a call center, and an information clearinghouse of federal and private sector information on economic development and procurement opportunities for Tribes, ANCs, and individuals who are American Indians, Alaska Natives, and Native Hawaiians. With greater numbers of defense and homeland security procurement actions, and the corresponding increase in demands for procurement technical assistance from AIPTACs, the NCAIED and its supporting centers are playing vital roles in promoting greater use of contracting companies owned by Tribes, ANCs, NHOs, and Native entrepreneurs.

As the above-mentioned cooperative agreements require the recipient organization to match the federal dollars with a significant amount (as high as 25 percent) of private funding, the NCAIED generally raises nearly 50 percent of its own funds. In addition to client work under these

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cooperative agreements, NCAIED produces various events that train, promote and market Indian enterprises to the public and private sectors. One such event is the phenomenally successful Reservation Economic Summit & American Indian Business Trade Fair. At RES 2006, over 2,300 individuals and 300 exhibitors attended, including Tribes, ANCs, federal and other government procurement officials, and corporate and Native business representatives.

The National Center estimates that its operations have assisted approximately 80% of the Tribes in the lower 48 states since its inception. With its training, planning, and consulting services provided since 1970, more than 25,000 Native enterprises have been assisted and over 10,000 tribal members trained. Furthermore, due to bid matching and other business assistance efforts of National Center staff, as well as the networking opportunities produced at the RES and other similar conferences over the years, NCAIED clients have received over \$500 million in contracts and financing annually!

The results of all these efforts show real progress. The U.S. Census Bureau reported in 1997 that its data (thought incomplete) showed 197,300 AI/AN-owned businesses in the United States, up 84% from 1992, employing 298,700 people and generating \$34.3 billion in revenues. *See 1997 Economic Census: Survey of Minority Owned Business Enterprises: Company Statistics Series (2001)*. By 2002, Census estimates were 206,125 AI/AN-owned firms, up 4% from the 1997, but total revenues down 23% to \$26.3 billion. *See 2002 Survey of Business Owners, U.S. Census Bureau*.

More recent examples of Native 8(a) companies' success reported by the Native American Contractors Association show a total of \$1.4 billion in federal contract dollars awarded from FY 2001 to 2003. Data for 2004 from the 8(a) companies owned by the 13 ANC Regional Corporations and 2 Village Corporations showed they generated a total of \$2.4 billion in government contracting revenues, employed over 7,700 in Alaska and 27,800 nationwide, and distributed over \$32.5 million in dividends and scholarships to Alaska Native shareholders. *Alaska Native Corporations Annual Economic Report*, Association of ANCSA Regional Corporation Presidents/CEOs 9 (2005).

Of the roughly 360 Tribes in the lower 48 states, about 50 have launched government contracting operations and applied for 8(a) program certification and many are very successful. No comprehensive data compilation exists, but some of the leading Tribal-owned 8(a) companies have appeared on the Top 25 8(a) list of information technology firms. *See Wakeman, 8(a)s Still a hit with ANCs, tribally owned companies*, 20 Washington Technology (Sept. 26, 2005).

In short, after years of being encouraged by Congress to do so, and after seeing the success of other Native contractors, more Tribes are pursuing government sector opportunities.

Great Returns on Modest Federal Investments

To sum up the results of the Senate Indian Affairs Committee's 1988 initiatives, they all have met with remarkable success at relatively little cost to the Federal Government. To continue the progress made, the NCAIED offers the following comments and recommendations:

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1. Indian Incentive Program: Increasingly successful is the DOD 5% Indian Incentive Program ("IIP"), for which Congress has appropriated \$8 million annually since FY 1991 for payment of incentives to DOD contractors, at any tier, for subcontracting some of their DOD work to Tribal- or Indian-owned businesses. Initially underutilized, the IIP program has grown rapidly in recent years. In FY 2004, DOD expended the entire \$8 million by the end of the third quarter. The FY2005, DOD fully committed the \$8 million by the end of the second quarter. When the FY 2006 funds were released, they were exhausted almost immediately to cover backlogged IIP requests approved between February and July of 2005. According to Frank Ramos, Director of DOD's Office of Small Business Programs, approved IIP payments have generated at least \$320 million in Native subcontract awards just in the last two fiscal years.

- Recommendation:

To continue this momentum and prevent the backlog of IIP requests, the NCAIED recommends that Congress increase the IIP funding level to \$15 million annually.

2. Native Business Assistance: Creation of the AIPTACs has helped grow the numbers of tribal-owned and Indian-owned companies and their contract awards exponentially. Just two of the AIPTACs working with the National Center have provided procurement technical assistance resulting in over \$1 billion in contract awards (translating to roughly 20,600 jobs) to Native-owned firms over the last 4 years! The NCAIED and its network of AIPTACs and Native American Business Development Centers have figured out how best to deliver business development services to Indian Country. Based on this experience, the NCAIED would like the opportunity to work with other similar assistance providers -- in collaboration, not competition -- to broaden their mutual reach.

- Recommendations:

First, The NCAIED urges the Congress to continue full funding of the six AIPTAC's and the NABECs.

Second, the NCAIED supports the approach taken in S. 1907, introduced by Senators Tim Johnson, Gordon Smith, Byron Dorgan and others, to create a SBA Office of Native American Affairs. Such an office could be extremely helpful in providing the additional support and oversight that are becoming increasingly important as contracting companies owned by Tribes, ANCs and NHOs grow larger. As to the provision of business development assistance proposed in this bill, the NCAIED would prefer to see some revisions so that existing AIPTACs, NABECs, Small Business Enterprise Centers and tribal colleges can work together to develop ways to expand services to Native communities (based on consultation with Tribes) most efficiently, and without duplication of effort and expense.

3. Special 8(a) provisions for Tribes, ANCs and NHOs: These provisions have resulted in just what the Congress intended -- facilitation of Native communities' diversification, self-determination and economic self-sufficiency. Tribal- and ANC-owned companies are now regularly listed among the top performing government contractors. RES 2006 conference presented the first quasi-public 8(a) dialogue to promote the Tribal 8(a) program, co-hosted by

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the NCAIED, the National Congress of American Indians, and the Native American Contractors Association (NACA). Panelists made presentations on the 8(a) program's history and purpose, and several CEOs of 8(a) companies owned by Tribes and ANCs described their experiences in the program. NACA representatives reported on media coverage and Congressional activities regarding ANC 8(a) contracting and threats of legislative proposals to limit the opportunities for 8(a) companies owned by Tribes and ANCs. In addition, the NCAIED and NACA agreed to execute a Memorandum of Understanding to launch a partnering and subcontracting demonstration program to encourage greater collaboration among Native and other contractors in bid matching, joint venturing, teaming, and performing federal contracts.

- Recommendations:

The NCAIED recommends, and will work on, enhancing the Tribal 8(a) program and assisting the SBA to: 1) improve the 8(a) certification process for Tribes, ANCs and NHOs; 2) improve data collection and submission by 8(a) companies so as to 3) facilitate improved oversight of 8(a) contracting by SBA and other federal contracting agencies.

4. Meeting (and Exceeding) Small Business Contracting Goals: What must be corrected is the failure of all federal agencies to expand both prime and subcontracting opportunities for small and minority businesses. In October 2005, the House Small Business Committee Democratic staff published a comprehensive report entitled Scorecard VI, History Unchanged: Year Capped with More Contracting Losses for Small Firms. The report revealed a 31% decline in contract awards to small businesses despite a 3% growth in the federal marketplace to nearly \$295 billion in FY 2004. The report measured 22 federal agencies on their ability to meet small business contracting goals, and found nearly all of them failing. DOD performed best, but most federal agencies noted a 20% decline in the value of 8(a) awards in FY 2004, according to the Scorecard Report.

- Recommendation:

All players in the communities of small and minority business should work together to call on the federal contracting agencies to develop and publish more aggressive procedures that will ensure that they will meet, and possibly even exceed, their goals for contract awards to small and minority businesses. This Committee and others in Congress can help by endorsing this approach.

The NCAIED thanks the Committee for the opportunity to present these remarks and recommendations.

PREPARED STATEMENT OF THE NATIVE AMERICAN CONTRACTORS ASSOCIATION

The Native American Contractors Association [NACA] appreciates the opportunity to submit testimony for the record on the U.S. Senate Committee on Indian Affairs Oversight Hearing on Tribal Economic Development. The Native American Contractors Association was formed to increase the awareness of the benefits of using Indian tribes, Alaska Native Corporations and Native Hawaiian Organizations [NHO] to provide goods and services to the Federal Government. The mission of NACA is to enhance self-determination through preservation of government contracting participation based on the government-to-government relationship between Native Americans and the Federal Government.

The Native American Contractors Association [NACA] is working to enhance the economic self-sufficiency of America's indigenous people. We are working to create a brighter future for Indian tribes and Alaska Natives and Native Hawaiian organizations whose members are among the poorest and most under-employed in America. NACA strives to create opportunities for Native Americans to become economically self-sufficient by enabling them to compete more effectively in the marketplace for government contracts. Unlike other American small businesses, for whom profits generally go to one individual or one family, the profits from Native American corporations owned by tribes and Alaska Native Corporations [ANC] are shared by hundreds—and sometimes even thousands—of tribal members. The profits earned by Native Americans and Alaska Native Corporations provide dividends, job training programs, scholarships, healthcare clinics, social service programs, and cultural programs for their communities. Contracting profits are an essential source of revenue to support vibrant, healthy Native communities in some of the poorest regions where unemployment and poverty rates are disproportionately high—often staggering.

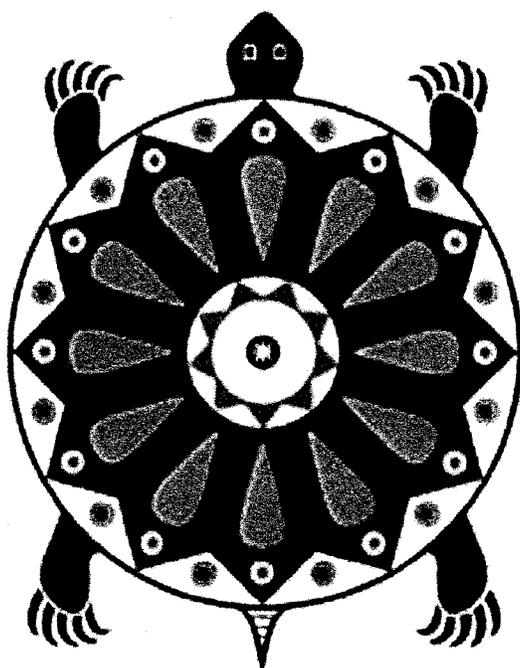
To help overcome barriers and impediments to Native American economic development, Congress forged one of its most successful Federal initiatives for Indian tribes, Alaska Native Corporations and Native Hawaiian Organizations [Native Americans] in making them eligible to participate in the Small Business Act's Section 8(a) program. This business development program is intended to help small businesses be successful for the future. The Native American contracting provisions that Congress enacted recognize the unique status of Indian tribes, Alaska Native Corporations and Native Hawaiian Organizations and promote government to government commerce. The Federal Government has a fiduciary duty to promote Native American economic development and self-sufficiency.

It took almost 20 years, for Native American contractors to show progress in participating in the Federal marketplace and they are just now starting to achieve a level of success in the 8(a) program. With the Federal Government buying over \$300 billion in goods and services annually, and Congress imposing a statutory goal of awarding 23 percent of all Federal contract dollars to small businesses, Native-owned businesses are working harder than ever to match their business capabilities with Federal contracting opportunities.

The recent GAO report, *Contract Management: Increased Use of Alaska Native Corporations' Special 8(a) Provisions Calls for Tailored Oversight (GAO-06-399)* shows the success of the Federal policy of promoting Native American government-to-government participation in the Federal marketplace. The 8(a) program has helped tribal communities diversify their economies and provide jobs, education, and services to a group of Americans historically far less able to access the American dream. The 8(a) program has been particularly helpful to those tribes and Alaska Native Corporations that are located far away from major markets or industrial centers because it provides access to Federal markets nationwide. The ability to participate in Government contracting helps tribes and Alaska Native Corporations develop strong Native economies by generating profits and diversifying native revenue bases rather than focusing on employment.

Fostering the development of successful small business contractors advances the Government's interests by broadening and diversifying its industrial base of service providers and suppliers. More competition can result by combating the consolidation of the Government contracting industry into a few dominant large businesses. By providing different contracting provisions to qualified Native Entities, Congress increased the likelihood of sustaining business opportunities, ownership, and revenues for Native Americans. These provisions are fulfilling the Federal Government's special legal obligations to Native Americans. As discussions regarding the reauthorization of the Small Business Act and implementation of the recommendations in the above-mentioned GAO report begin, we ask for your support to maintain and preserve these Native 8(a) provisions.

**American Indian Population
and
Labor Force Report
2003**



**U.S. Department of the Interior
Bureau of Indian Affairs
Office of Tribal Services**

Department of the Interior
Bureau of Indian Affairs
2003
Indian Population and Labor Force Report

Purpose

Public Law 102-477, the Indian Employment, Training, and Related Services Demonstration Act of 1992, mandates the Bureau of Indian Affairs (BIA) to publish, not less than biennially, a report on the American Indian and Alaska Native population eligible for services that the Secretary of the Interior provides to American Indian and Alaska Native people.

This report provides 2003 calendar year data on tribal enrollment, service population, and labor force information for the Nation's 562 federally recognized Indian tribes. All the data provided in this publication was determined by representatives of each tribe and certified as accurate by their tribal leader or designee. In addition to the 562 federally recognized Indian tribes, this report includes several corporate and "at-large" Alaska tribal entities that were formed as a result of the Alaska Native Claims Settlement Act of 1971.

Of the federally recognized Indian tribes, 79 percent provided revised data for this report. Many of the tribes that did not provide updated population and labor force information identified the lack of staffing and resources as the primary reason for not responding.

Summary of the 2003 Report:

Overall

In terms of the Indian reservation population, there was less than 10 percent change between 2001 and 2003 regardless of informational area. The one exception, where the percent of change exceeded 10 percent nationally, is "Not Available For Work" which increased by about 23 percent (from 208,451 in 2001 to 268,485 in 2003, an increase of 60,034). Much of the increase occurred in Self-Governance tribes, which accounted for 74 percent of the national increase.

Various factors contributed to the Self-Governance increase, such as revised methodologies used by Self-Governance tribes, additional tribes included in the Self-Governance section of the report, as well as eligible Indians who came to reside in the Self-Governance tribe's service area to benefit from increased opportunities.

Tribal Enrollment

The total 2003 reported Tribal Enrollment of 1,923,650 represents an increase of 107,146 or 5.9 percent over the 1,816,504 enrollment reported in the 2001 Labor Force Report.

The total 2003 reported Tribal Enrollment represents an increase of 495,380 or 34.7 percent over the 1,428,270 total Tribal Enrollment reported in 1995, the first year Tribal Enrollment information was collected and included in this biennial labor force report.

The 2003 increase in enrollment is attributed to updated tribal rolls, improved record keeping procedures, and revisions to tribal enrollment criteria.

Service Population

The total 2003 reported Service Population of 1,587,519 represents an increase of 63,494 Indian residents or 4.2 percent over the 1,524,025 reported in the 2001 labor force report.

The total 2003 reported Service Population represents an increase of 327,313 or 26.0 percent over the 1,260,206 total Service Population reported in 1995, and an increase of 852,624 or 216 percent over the total Service Population reported in 1982 (the earliest year for which data were available).

The 2003 increase in Service Population is attributed to increased record keeping and improved data collection methods, as well as eligible Indian individuals and families who came to reside in the tribe's service area to benefit from opportunities and services unavailable to them in off-reservation communities.

Employment

Unemployment, as a percent of the available labor force, remained the same (49 percent) in 2003 as it was in 2001. Even so, 3,091 more employment eligible individuals in the Service Population were unemployed in 2003 (394,705) than were unemployed in 2001 (391,614). Likewise, 2,109 more individuals were employed in 2003 (405,823) than were employed in 2001 (403,714).

The percent of Indians who were both eligible for BIA services and who were employed remained about the same (approximately 25 percent) over a 21-year period (1982 to 2003). Over this same period, the percent of Indians who were both eligible for BIA services and who were unemployed yet able to work increased from 20 percent to 25 percent.

The total 2003 workforce of 800,528 also increased by 5,200 individuals or about 1 percent, over the total workforce of 795,328 reported in 2001. The total 2003

workforce increase is primarily attributable to an increase in the Service Population, most of which (70.5 percent) are aged 16 or older and are available for inclusion in the workforce.

In 2003, Indian individuals employed but earning wages below the poverty level decreased by 772 between 2001 (132,500) and 2003 (131,728), and the overall percentage of those employed remained virtually the same (32.8 percent in 2001 and 32.5 percent in 2003).

The number of Indian individuals employed (405,823) represents 51 percent of the total workforce. Of the 51 percent of the Service Population that is employed, 32 percent earn wages below the 2003 poverty guidelines established by the U.S. Department of Health and Human Services (DHHS). This pattern remained relatively constant during the period 1982 to 2003 – from 32 percent to 36 percent of employed Indians were employed below that year’s poverty guideline.

Coverage:

Each tribe that responded designated a tribal labor force coordinator who used a standardized survey reporting form to collect data and provide estimates on their enrolled members and members from other tribes who lived “on-or-near” the reservation and who were eligible to use the tribe’s BIA-funded services. The aggregated total of those eligible to use the services constituted the tribe’s Indian “Service Population.” Excluded from each tribe’s 2003 Service Population total and other report totals were members who, for example, were serving in the Armed Forces or attending post-secondary institutions and not residing on tribal lands. Members were also excluded from the tribe’s Service Population if they had relocated for purposes of direct employment or were incarcerated or confined to a long-term treatment facility.

The data within the Regional/Tribal section of this Report are provided by Tribe, by BIA Agency, and by BIA Region. The Navajo Nation is listed by BIA Agency, under the BIA Navajo Region. Alaska Native entities are listed individually or grouped by consortium.

Definitions (from 25 CFR § 20.1):

Indian means any person who is a member of a Federally recognized Indian tribe. Some tribes have enrollment criteria that allows their members to have a blood quantum less than the one-fourth specified in 25 CFR § 20.1.

Indian Tribes are tribes, bands, nations, rancherias, pueblos, colonies, communities, and Alaska Native groups recognized as eligible for funding and services from the BIA and included in the current list of tribal entities, pursuant to Section 104 of the Act of November 2, 1994 (Pub. L. 103-454; 108 Stat. 4791). The list was last published in the Federal Register on December 5, 2003.

Near Reservation means those areas or communities adjacent or contiguous to a reservation, which are designated by the Assistant Secretary upon recommendation of the local BIA Superintendent. The recommendation is based upon consultation with the tribal governing body of those reservations on the basis of such general criteria as:

- ▶ Number of Indian people native to the reservation residing in the area;
- ▶ A written designation by the tribal governing body that members of their tribe and family members who are Indians and residing in the area, are socially, culturally, and economically affiliated with the tribe and the reservation;
- ▶ Geographic proximity of the area to the reservation; and
- ▶ Administrative feasibility of providing an adequate level of service.

For Alaska, the term includes the entire State, since Alaska Native tribes are typically isolated from each other and are not formed as reservations, except for the Metlakatla Indian Community on the Annette Island Reserve in southeast Alaska.

On Reservation means American Indians who live within the present reservation boundaries and who are eligible for BIA-funded services.

Resident Indian means American Indians living on or near Federal reservations who are considered part of the tribe's service population.

Headings/Terms Used in Tables:

Tribal Enrollment is the total number of tribal enrollees who are certified as being tribal members by their tribe's leader or designate. Pursuant to tribal governing documents, tribal enrollees may live on-reservation or anywhere outside the reservation – for example, in distant towns, cities or foreign countries.

Total Service Population is the tribe's estimate of all American Indians and Alaska Natives, members and non-members, who are living on-or-near the tribe's reservation during the 2003 calendar year and who are eligible to use BIA-funded services. The aggregated sum of those reported as "Age Under 16," "Age 16-64," and "Age 65 and Over" sub-totals of a given tribe equals the tribe's "Total Service Population." Typically, Indians included in a tribe's Service Population live within a reasonable distance of the reservation from where they can access the tribe's services. Such Indians typically do not live in distant cities, towns, or foreign countries.

Not Available for Work is the total estimated number of individuals who were age 16 and over and who were included in a tribe's Service Population, but because of personal circumstances were unable to assume or sustain gainful employment.

Available for Work represents the tribe's 2003 "Total Work Force" and is the sum of the "Age 16-64" and "Age 65 and Over" sub-totals minus the number of individuals who were "Not Available for Work."

Number Employed is determined by aggregating the tribe's estimated subtotals of the number of individuals in their Service Population who were either employed by public, private, or tribal entities.

Number Not Employed is determined by subtracting the "Number Employed" from the tribe's number of individuals in the tribe who were "Available for Work."

Unemployed as a percent of the Labor Force is determined by dividing the "Number Not Employed" by the "Total Work Force" (also called the "Available for Work" total).

Employed, but Below Poverty Guideline is determined by using the DHHS Poverty Guidelines (applicable for 2003). The tribe estimated the number of its employed work force whose annual earned income was below the poverty guideline. For example, for a family of two the poverty threshold of combined earned income was \$12,120 and for a family of four the poverty threshold of combined earned income was \$18,400 (for Alaska, \$13,940 and \$21,160 respectively). Additionally, the report tables show the percent of those employed below the "Poverty Guideline." This percent is derived by dividing the tribe's estimated total number of "Employed, but Below Poverty Guidelines" by the "Number Employed."

Report Format:

The Indian Population and Labor Force Report is organized into three sections:

1. National Totals by State
2. National Totals by Region
3. Totals by Region and Tribe

For tribes with reservation boundaries and service populations that are located in more than one state, the tribe's labor market totals are proportionately distributed, by tribal population, for each state. An asterisk "*" following a tribe's name in the "Region/Tribe" section indicates that the reported totals were from the 2001 Report. Also, "NR" in any column signifies that data was not provided by the tribe. In addition, the total for the State of Alaska does not equal the total for the Alaska Region, because about half the Alaska tribes are in the Self-Governance section of the "Totals by Region and Tribe."

Additional Information:

Any questions regarding a specific tribe's labor market information can be directed to the tribe's BIA Agency, Field Office or Regional Office. The current Tribal Leaders Directory, with contact information for BIA Regional and Agency offices and the tribes, can be accessed at www.doi.gov/leaders.pdf. This report can also be found at www.doi.gov/triballaborforce2003/pdf.

**National Indian Service Population and Labor Market Information
Includes Males and Females Living On-or-Near Reservation**

STATE TOTALS		SERVICE POPULATION: ON-OR-NEAR RESERVATION												Total Employed		
BY STATE	Tribal Entities, by State	Tribal Enrollment	Age Distribution			Labor Force			Unemployed Labor Force			Public	Private	Total	Employed Not Below Poverty Guidelines	
			Age Under 18	Age 18-64	Age 65 & Over	Not Available for Work or Sick	Number Employed	Number Not Employed	Unemployed Labor Force	Public	Private					Total
			10-14	15-17	18-64	65 & Over	Not Available for Work or Sick	Employed	Not Employed	Unemployed Labor Force	Public	Private	Total	% of Total	% of Total	
ALASKA	1	136,315	10,118	54,394	10,743	28,207	76,093	32,092	43,901	11,809	17,092	26,809	40,701	29.9%	17.0%	
ALABAMA	231	148,252	2,217	1,359	13,628	46,897	1,093	1,093	25,028	23,935	13,262	11,673	12,263	42.6%	4.2%	
ARIZONA	23	264,984	71,287	20,410	44,235	8,842	12,763	36,415	21,934	14,483	9,048	5,435	13,049	26.6%	10.5%	
CALIFORNIA	105	55,168	4,169	1,281	2,688	160	989	1,899	1,798	131	348	149	199	32.1%	16.6%	
COLORADO	2	3,487	2,334	851	1,392	91	224	332	171	161	NR	172	NR	NR	NR	
CONNECTICUT	2	3,383	3,448	1,544	1,920	84	13	332	171	161	NR	172	NR	NR	NR	
FLORIDA	5	12,102	18,468	4,451	12,484	1,551	1,686	12,349	3,293	9,096	989	2,294	3,293	102.1%	31.6%	
IDAHO	1	175	60	107	6	12	101	73	28	29%	6	67	73	24.3%	3.3%	
IOWA	1	1,309	1,343	581	676	88	60	702	281	421	60%	98	182	281	0%	0%
KANSAS	4	9,562	7,872	2,504	4,425	843	128	1,225	253	972	70%	129	124	253	13.5%	5.5%
LOUISIANA	4	3,060	1,723	612	1,045	66	230	851	203	648	76%	55	108	203	42.1%	21.1%
MASSACHUSETTS	1	1,065	304	91	191	22	11	202	113	89	44%	113	113	27.1%	24.4%	
MAINE	5	7,261	3,563	961	2,411	191	538	2,064	912	1,152	50%	5,408	3,135	8,543	174.2%	20.9%
MICHIGAN	12	53,879	29,479	7,426	20,575	1,478	1,032	21,021	8,543	12,478	50%	8,831	3,485	12,316	5.071%	4.1%
MINNESOTA	11	51,267	37,266	12,188	22,354	2,724	5,377	18,701	12,316	7,385	37%	1,670	2,055	3,725	74.5%	20.1%
MISSISSIPPI	1	9,239	8,099	3,015	4,825	259	132	4,952	9,446	17,325	65%	6,508	2,938	9,446	3.162%	3.5%
MONTANA	8	65,299	42,719	13,398	26,417	2,904	2,550	26,771	9,446	17,325	65%	1,511	317	1,828	82.0%	4.5%
NEBRASKA	6	16,431	7,497	2,702	4,400	395	785	3,826	1,828	1,998	52%	2,188	1,342	3,530	1,545%	44%
NEVADA	20	12,547	12,366	3,778	7,419	1,169	1,428	7,005	3,528	3,477	50%	18,799	6,343	25,142	5,060%	20%
NEW MEXICO	25	170,182	125,969	41,004	76,123	9,842	30,276	48,953	25,142	23,811	40%	1,037	3,114	4,151	2,448%	59%
NEW YORK	7	19,616	20,822	4,854	14,054	1,814	2,960	11,845	4,151	7,694	65%	914	2,988	3,902	NR	NR
NORTH CAROLINA	1	13,128	7,477	2,260	4,686	511	38	5,159	3,312	1,847	36%	8,408	4,059	12,465	3,755%	30%
NORTH DAKOTA	6	63,263	51,801	12,698	35,642	3,661	2,713	36,590	12,465	24,125	60%	79,154	53,006	132,160	43,461%	33%
OKLAHOMA	38	675,021	428,915	112,963	271,912	44,040	92,984	190,596	132,160	57,896	30%	7,077	24,795	31,872	8,859%	22%
OREGON	9	22,285	77,327	17,701	52,537	7,089	15,957	43,669	31,872	11,797	27%	NR	NR	NR	NR	NR
RHODE ISLAND	1	2,478	2,748	795	1,817	145	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
SOUTH CAROLINA	1	145	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
SOUTH DAKOTA	8	105,068	104,268	34,040	62,472	7,759	7,707	65,821	10,706	55,115	84%	8,119	2,589	10,706	5,165%	49%
TEXAS	3	2,771	1,865	564	1,297	154	241	720	401	319	44%	150	401	251	1,896%	6%
UTAH	7	15,838	11,849	4,185	7,159	605	5,244	1,896	3,348	64%	899	697	1,596	588%	31%	
WASHINGTON	29	54,128	95,978	33,804	57,181	4,993	6,535	55,639	21,062	34,577	62%	8,449	12,613	21,062	8,179%	39%
WISCONSIN	11	54,981	38,093	9,656	24,150	2,255	2,953	23,822	11,569	12,253	51%	5,973	5,616	11,589	4,395%	39%
WYOMING	2	11,227	11,227	3,763	6,973	491	63	7,401	1,960	5,421	73%	1,533	447	1,980	230%	12%
GRAND TOTALS:	593	1,923,650	1,567,519	483,943	997,739	126,817	268,485	800,528	405,823	394,705	49%	227,131	178,692	405,823	131,728	32%

NR = Totals Not Reported by tribes * = Includes members of the Polegon Band of Potawatomi.

National Indian Service Population and Labor Market Information
Includes Males and Females Living On-or-Near Reservation

NATIONAL TOTALS		SERVICE POPULATION: ON-OR-NEAR RESERVATION													
		Age Distribution Data			Labor Force Data				Unemployed or Underemployed Force			Total Employed			
By BIA Regions and Self-Governance	Tribal Enrollment (A)	Age Distribution Data			Total Eligible for Services (1)+(2)+(3)	No. Available for Work (4)	No. Available or Total Workforce (5)	Number Employed (6)	Number Not Employed (7)	Unemployed or Underemployed Force (8)	Private (9)	Public (10)	Total (11)	Employed, but Not Meeting Guidelines (12)	
		Age Under 16 (1)	Age 16-64 (2)	Age 65 & Over (3)											Employed (6)
ALASKA	47,885	74,388	24,053	46,143	4,192	11,609	38,501	20,808	17,693	46%	9,853	10,955	20,808	8,032	39%
EASTERN	66,608	54,065	15,906	34,887	3,292	4,742	27,872	14,250	13,622	48%	5,074	9,176	14,250	4,121	29%
EASTERN OKLAHOMA	64,058	33,557	7,217	22,050	4,300	3,779	20,428	9,650	10,778	53%	3,004	6,646	9,650	5,402	56%
GREAT PLAINS	184,487	163,565	49,232	102,512	11,821	11,230	106,403	25,164	81,249	76%	18,074	7,080	25,164	9,799	39%
MIDWEST	83,018	51,996	15,029	33,546	3,321	4,855	32,112	17,478	14,634	46%	7,201	10,277	17,478	6,137	35%
NAVAJO	264,066	185,190	67,208	105,179	12,803	85,200	52,782	24,247	28,535	54%	12,198	12,048	24,247	3,615	15%
NORTHWEST	57,323	87,398	28,726	53,478	5,194	6,666	52,006	18,464	35,542	68%	6,212	10,252	16,464	5,234	32%
PACIFIC	39,712	49,594	14,968	29,757	4,969	8,317	25,953	15,268	10,685	41%	4,488	10,780	15,268	6,806	45%
ROCKY MOUNTAIN	63,876	44,735	14,227	27,742	2,766	2,450	28,088	8,516	19,542	70%	6,593	1,923	8,516	2,390	28%
SOUTHERN PLAINS	60,029	60,395	17,259	38,727	4,409	1,733	5,965	2,725	3,230	54%	1,783	942	2,725	1,306	48%
SOUTHWEST	65,469	61,429	17,776	38,168	5,485	6,155	30,792	18,287	12,475	41%	13,584	4,703	18,287	4,371	24%
WESTERN	113,358	96,636	29,357	60,653	6,626	8,117	56,896	22,327	34,569	61%	15,539	6,788	22,327	7,958	36%
SELF-GOVERNANCE	813,751	624,561	168,005	398,817	57,739	133,732	322,800	210,649	112,161	35%	123,528	87,121	210,649	66,557	32%
GRAND TOTALS	1,523,650	1,587,519	468,963	991,739	126,817	238,485	800,528	405,823	394,705	49%	227,131	178,692	405,823	131,728	32%

Local Estimates of Indian Service Population and Labor Market Information

Alaska Region		COMBINED TOTALS		SERVICE POPULATION: ON-OR-NEAR RESERVATION										2 of 3							
Agency, Tribe, and Reservation Names	State	FTE	FTE (1)	Age Distribution Data					Labor Force Data					Total Employed		Employed by Public Agency	Employed by Private	Total	Total (%)	Employed by Public Agency (%)	Employed by Private (%)
				18-24	25-34	35-44	45-54	55-64	65+	Available for Workforce	Number Employed	Unemployed	Unemployed (%)	Public	Private						
Kapruvak	AK	8	6	2	4	0	0	0	4	3	1	25%	3	0	3	0	3	2	67%		
Katavik Village (Ika Barter Island)*	AK	227	239	79	195	18	12	171	63	109	65%	60	3	63	0	63	2	3%			
Katavik Native Village of	AK	95	188	85	85	13	15	54	60	14	22%	48	2	50	0	52	24	46%			
Kenai Native Village of	AK	40	82	39	43	4	0	39	32	14	33%	25	0	25	0	25	0	0%			
Kenai Indian Tribe	AK	1,300	3,701	1,231	2,024	419	611	1,820	782	1,049	57%	109	109	782	0	782	473	60%			
Kiana	AK	683	356	111	220	25	53	182	37	155	81%	24	15	37	0	37	0	0%			
King Salmon	AK	85	79	17	49	7	28	28	6	22	79%	1	6	6	0	6	0	100%			
Kipnuk	AK	778	776	286	452	38	91	309	118	281	70%	101	17	118	118	44	37%				
Knik Tribe	AK	897	3,264	1,141	2,016	107	375	1,748	200	1,548	89%	50	150	200	172	86%					
Kodiak Tribal Council (Shoonat)	AK	1,246	1,769	850	979	131	120	890	673	317	32%	0	673	673	118	17%					
Kovethluk	AK	784	854	200	348	36	19	395	103	292	72%	82	11	103	103	100%					
Kovgillingook	AK	495	298	80	172	14	7	178	78	101	59%	74	4	78	33	42%					
Lassen Bay Native Village of	AK	121	12	22	44	6	26	72	12	12	50%	5	5	12	0	12	25%				
Lassen Village (Cecby Island)*	AK	24	15	8	8	1	0	14	10	4	29%	2	2	4	0	4	27%				
Lime*	AK	24	45	18	19	9	1	24	11	13	54%	10	1	11	10	51%					
Lower Kalsag	AK	572	262	87	178	17	17	178	86	90	48%	93	5	88	6	8%					
Lower Kalsag	AK	290	388	108	271	9	6	271	37	234	86%	35	2	37	37	100%					
Marsali*	AK	345	265	83	170	12	9	174	81	93	53%	78	3	81	14	17%					
Mekoyuk	AK	497	201	24	157	20	54	123	75	48	39%	68	17	75	38	51%					
Menomata Traditional Council*	AK	250	311	95	206	6	28	188	142	46	24%	140	2	142	76	54%					
Nabrek	AK	390	300	157	107	36	24	119	62	57	48%	28	34	62	17	27%					
Newhalen Village	AK	184	135	45	85	5	5	85	78	7	8%	37	41	78	18	23%					
Newton*	AK	313	308	135	161	12	69	104	73	31	30%	70	3	73	10	14%					
Nighthelm	AK	238	211	84	112	15	23	104	101	3	3%	99	2	101	8	8%					
Niuliduk Village	AK	582	889	282	614	13	251	318	178	140	44%	22	305	22	328	44	20%				
Niuliduk Village	AK	423	316	152	164	12	24	192	114	78	40%	72	4	76	28	37%					
Norobon	AK	423	192	85	107	14	9	110	39	71	65%	38	1	39	4	10%					
Norobon Native Community*	AK	735	472	149	301	22	36	295	127	168	57%	120	7	127	21	17%					
Northway*	AK	256	252	119	122	11	3	136	23	107	82%	21	2	23	7	30%					
Nuhsat (Nookseut), Native Village of*	AK	450	486	214	255	17	11	265	80	181	69%	76	4	80	0	0%					
Nunakauyak Tribe (Toosook Bay)*	AK	654	644	272	343	29	3	365	151	218	59%	145	6	151	69	46%					
Old Harbor, Village of	AK	590	590	164	409	21	185	241	47	194	80%	22	25	47	6	13%					
Orsaramut Native Village (Bethel)	AK	1,618	3,805	81	3,479	235	508	3,176	1,389	1,787	56%	743	646	1,389	651	47%					
Ouzumlik Native Village of	AK	540	132	45	67	20	25	62	42	20	32%	31	11	42	0	0%					

Local Estimates of Indian Service Population and Labor Market Information

Alaska Region COMBINED TOTALS		SERVICE POPULATION: ON-OR-NEAR RESERVATION 3 of 3														
Agency, Tribe, and Reservation Names	State/s	Tribal Enrollment (A)	Age Distribution Data			Labor Force Data					Total Employed		Employed, but Below Poverty Guidelines %			
			Total Eligible for Employment (1)(2)(3)	Age Under 18 (1)	Age 15-44 (2)	Age 65 & Over (3)	Not Available for Work (4)	Available for Work or Total Workforce (5)	Number Employed (6)	Number Not Employed (7)	Unemployed as % of Labor Force (8)	Public (9)		Private (10)	Total (11)	
Paiut*	AK	66		21	34	11	3	42	10	32	76%	9	1	10	2	20%
Pedro Bay*	AK	115		20	28	9	0	37	20	17	46%	18	2	20	1	5%
Platinum*	AK	70		21	44	6	5	45	23	22	49%	22	1	23	8	35%
Point Hope, Native Village of*	AK	795		290	428	79	425	8	417	98%	4	4	4	8	4	50%
Point Lay, Native Village of*	AK	197		76	136	5	21	120	77	43	36%	75	2	77	0	0%
Port Lions, Native Village of	AK	309		45	117	16	0	133	56	77	58%	31	25	56	8	14%
Oagen Toyagungin Tribe (Sand Pt)	AK	629		76	482	71	101	452	90	362	80%	30	60	90	90	100%
Cavalangin Tribe (Unalaska)	AK	618		88	127	19	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
Salamatof, Village of	AK	129		0	119	10	24	105	47	58	55%	5	42	47	11	23%
Selawik	AK	912		186	488	39	225	302	108	194	64%	102	6	108	88	81%
Stevens, Native Village of*	AK	186		39	69	11	5	75	16	59	79%	14	2	16	14	88%
Tuluksak*	AK	377		89	180	29	18	191	100	91	48%	88	2	100	46	46%
Tununak	AK	243		95	147	17	17	147	54	93	63%	44	10	54	1	2%
Tyonek, Native Village of*	AK	572		165	408	14	20	400	50	350	88%	46	4	50	48	96%
Unikumute*	AK	31		11	13	4	1	16	12	4	25%	12	0	12	6	50%
Vardez Native Tribe (638 Tribal Org.)	AK	317		62	228	27	11	244	65	178	73%	2	64	66	6	9%
Venette, Village of*	AK	237		111	115	11	7	119	75	44	37%	0	75	75	52	69%
Weinwright, Village of*	AK	593		255	330	28	25	333	178	155	47%	171	7	178	0	0%
Alaska Region TOTALS:		47,885		24,053	46,143	4,192	11,509	36,501	20,808	17,693	46%	9,853	10,955	20,808	8,032	39%

* = 2001 Labor Force Data

NR = Totals Not Reported by tribes

Local Estimates of Indian Service Population and Labor Market Information

Eastern Region COMBINED TOTALS			SERVICE POPULATION: ON-OR-NEAR RESERVATION													
Agency, Field Office, Tribe, and Reservation Names	State	Tribal Enrollment (N)	Age Distribution Data					Labor Force Data					Total Employed			Employed on Below Poverty Guidelines %
			Total Eligible for Service (UNHS)	Age 16-19 (N)	Age 18-24 (N)	Age 25-64 (N)	Age 65+ (N)	Not Available for Work (N)	Available for Work (N)	Number of Total Employees (N)	Number Not Employed (N)	Unemployed as % of Labor Force (%)	Public (N)	Private (N)	Total (N)	
Eastern Regional Office	ME	904	604	227	646	31	20	648	75	573	85%	75	0	75	36	48%
Acobsok Band of Moheac Indians	SC	2,478	1,836	695	1,158	79	395	848	462	384	45%	444	18	462	79	0
Chitimacha Tribe	LA	1,090	450	150	280	14	21	283	151	132	47%	86	85	151	53	22%
Comanche Tribe	TX	819	319	289	498	37	47	469	17	489	59%	6	12	17	0	0%
Florida Seminole Tribe	FL	392	497	144	281	2	49	244	109	135	55%	17	92	109	76	69%
Jena Band of Choctaw Indians	MS	275	275	275	275	275	275	275	275	275	275	275	275	275	275	275
Maanakeechee Tribe	CT	723	723	271	432	20	224	332	171	161	48%	171	0	171	NR	NR
Miccosukee Tribe of Indians*	FL	400	509	244	324	21	324	332	171	161	48%	171	0	171	NR	NR
Mohican Indian Tribe	CT	1,611	1,611	590	990	71	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
Narragansett Indian Tribe	RI	2,748	2,748	789	1,817	145	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
Passamaquoddy Indian Township	ME	1,341	707	201	474	32	110	396	142	254	64%	111	31	142	26	18%
Passamaquoddy - Pleasant Point	ME	1,977	897	241	602	54	318	338	266	72	21%	207	59	266	103	39%
Penobscot Tribe	ME	2,247	618	148	408	62	32	439	320	118	27%	110	210	320	109	34%
Roanoke Band of Cherokee Indians	NC	2,264	1,811	217	1,538	236	201	1,338	1,029	309	29%	110	919	1,029	432	42%
Tuscarora Tribe	NC	1,828	30	64	161	3	64	NR	NR	NR	NR	NR	NR	NR	NR	NR
Wampanoag Tribe of Gay Head	MA	1,828	30	64	161	3	64	NR	NR	NR	NR	NR	NR	NR	NR	NR
New York Field Office	NY	467	467	95	339	29	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
Oneida Nation	NY	1,000	650	152	447	51	3	NR	NR	NR	NR	NR	NR	NR	NR	NR
Onondaga Nation	NY	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
Seneca Nation	NY	7,321	7,322	2,123	4,684	535	2,703	2,495	2,495	0	0%	624	1,872	2,496	2,205	85%
St. Regis Band of Mohawk Indians	NY	10,830	10,830	2,134	7,849	847	0	8,696	1,308	7,388	85%	413	895	1,308	243	0
Tonawanda Band of Seneca	NY	NR	609	227	396	76	119	343	188	155	45%	0	188	155	NR	NR
Tuscarora Nation	NY	NR	604	219	399	76	135	310	159	151	49%	0	159	151	NR	NR
Cherokee Agency - Cherokee	NC	13,126	7,177	2,960	4,185	51	38	5,196	3,512	1,687	30%	874	2,398	3,512	NR	NR
Cherokee Agency - Cowehee	NC	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
Cherokee Agency - Oklawaha	NC	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
Mississippi Band of Choctaw	MS	9,238	6,099	3,015	4,823	269	132	4,822	3,725	1,227	25%	1,670	2,055	3,725	745	20%
Seminole Tribe	FL	2,983	2,959	1,300	1,596	63	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
Eastern Region TOTALS:		66,608	54,065	15,906	34,867	3,292	4,742	27,672	14,250	13,622	49%	6,074	9,176	14,250	4,121	29%

* = 2001 Labor Force Data

Local Estimates of Indian Service Population and Labor Market Information

Eastern Oklahoma COMBINED TOTALS		SERVICE POPULATION: ON-OR-NEAR RESERVATION											Total Employed		Employed, by Below Poverty Threshold %			
Agency, Tribe, and Reservation Names	State's	Tribal Enrollment (A)	Age Distribution Data					Labor Force Data					Public (8)	Private (10)	Total (11)	Employed, by Below Poverty Threshold %	Employed, by Below Poverty Threshold %	
			Total Eligible for Services (1)+(2)+(3)	Age Under 16 (1)	Age 16-44 (2)	Age 45 & Over (3)	Not Available for Work (4)	Available for Workforce (5)	Number Employed (6)	Number Not Employed (7)	Unemployed as % of Labor Force (8)							
Eastern Oklahoma Regional Office																		
Delaware Indians	OK	10,298	2,030	313	1,444	273	312	1,405	750	655	135	655	750	387	52%			
United Keetoowah Band	OK	8,603	8,260	1,128	5,461	1,671	999	6,133	2,646	3,487	239	2,407	2,646	1,964	74%			
Shawnee Tribe	OK	1,395	510	116	310	84	71	323	306	17	38	268	306	175	57%			
Miami Agency																		
Ottawa Tribe	OK	2,412	526	168	316	42	61	297	297	0	65	232	297	124	42%			
Peoria Tribe	OK	2,678	2,678	535	1,965	178	0	NR	NR	NR	NR	NR	NR	NR	0%			
Quapaw Tribe	OK	3,014	1,668	532	1,076	90	42	1,124	1,034	90	102	932	1,034	633	61%			
Oklmulgee Agency																		
Alabama-Quassarte Tribal Town	OK	338	808	329	440	39	82	397	323	74	49	274	323	115	36%			
Kiallegge Tribal Town	OK	320	320	17	266	37	54	249	94	155	57	37	94	75	80%			
Thlopthocco Tribal Town	OK	764	764	125	566	73	76	561	423	138	139	284	423	274	65%			
Osage Agency																		
Osage Tribe	OK	19,929	11,960	3,097	7,320	1,543	1,950	6,913	3,086	3,827	1,942	1,144	3,086	1,482	47%			
Wawoka Agency																		
Seminole Nation	OK	14,307	4,013	857	2,886	270	130	3,026	691	2,335	228	463	691	193	28%			
Eastern Oklahoma TOTALS		64,058	33,567	7,217	22,050	4,300	3,779	20,428	9,650	10,778	3,004	6,646	9,650	5,402	56%			

* = 2001 Labor Force Data

NR = Totals Not Reported by tribes

Local Estimates of Indian Service Population and Labor Market Information

Great Plains COMBINED TOTALS		SERVICE POPULATION: ON-OR-NEAR RESERVATION										Total Employed				
Agency, Tribe, and Reservation	States	Total Eligible for Employment (A)	Age Distribution Data					Labor Force Data					Public (E)	Private (F)	Total (G)	Employed Less Below Minimum Age %
			Age 16-18 (B)	Age 18-24 (C)	Age 25-34 (D)	Age 35-44 (E)	Age 45-54 (F)	Not Available (G)	Number Employed (H)	Unemployed % of Labor Force (I)	Unemployed % of Total (J)					
Great Plains Regional Office	SD	723	1,922	651	1,222	49	24	1,247	775	472	38%	775	0	775	52	7%
Grand Sioux Tribe	SD	1,222	3,656	1,262	2,394	138	10,704	1,712	9,992	86%	174	1,138	1,312	1,312	100%	
Lower Brule Agency	SD	14,277	11,423	3,656	6,291	1,082	38	10,704	1,712	9,992	86%	174	1,138	1,312	100%	
Crow Creek Agency	SD	3,507	3,002	1,359	1,502	141	305	1,317	558	759	58%	487	71	558	85	15%
Fort Berthold Agency	ND	10,789	8,396	3,371	4,735	290	789	4,239	1,211	3,028	71%	1,057	124	1,211	395	33%
Fort Totten Agency	ND	5,428	5,428	1,974	3,254	198	842	2,910	1,427	1,183	45%	1,401	28	1,427	728	51%
Lower Brule Agency	ND	2,824	4,477	1,517	2,960	47	202	658	353	285	45%	303	80	383	61	17%
Fort Totten Agency	ND	2,624	4,477	1,517	2,960	47	202	658	353	285	45%	303	80	383	61	17%
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Fort Totten Agency	ND	2,624	4,477	1,517	2,9											

Local Estimates of Indian Service Population and Labor Market Information

Midwest Region COMBINED TOTALS		Age Distribution Data										Labor Force Data										Total Employed	
Agency, Tribe, and Reservation	State	Total Eligible for Employment (A)	Age Under 16 (B)	Age 16-17 (C)	Age 18-24 (D)	Age 25-34 (E)	Age 35-44 (F)	Age 45-54 (G)	Age 55-64 (H)	Age 65+ (I)	Not Available for Work (J)	Available for Work (K)	Number Employed (L)	Unemployed as % of Force (M)	Public (N)	Private (O)	Total (P)	Employed Below Poverty Line % (Q)					
Midwest Regional Office																							
Lower Sioux Indian Community	MN	838	737	359	351	27	27	351	182	188	54%	80	82	162	80	82	162	40	25%				
Wapasha Indian Tribe	IA	8,154	5,111	1,921	2,928	262	104	2,386	1,217	1,159	49%	598	619	1,217	377	377	1,217	377	31%				
Wapasha Indian Community	IA	8,950	351	127	213	11	13	211	82	129	51%	40	42	82	40	42	82	12	15%				
Sac & Fox Tribes	IA	1,354	1,354	611	429	8	8	421	421	421	71%	39	152	201	39	152	201	0	0%				
Spokane Sioux Community	IA	354	704	281	429	10	24	449	42	42	74%	252	0	42	252	42	42	0	0%				
Upper Sioux Indian Community	MN	413	413	174	216	23	58	181	59	122	67%	7	52	69	7	52	69	0	0%				
Great Lakes Agency																							
Bad River Band	WI	6,818	2,343	485	1,701	157	250	1,608	307	1,251	78%	352	6	357	340	340	6	96%					
Forest County Potawatomi	WI	1,235	1,235	396	792	47	27	812	206	606	79%	206	0	206	19	19	206	9%	9%				
Ho-Chunk Nation of Wisconsin	WI	6,284	6,284	1,611	4,385	288	508	4,165	3,561	604	15%	1,362	2,199	3,561	2,142	609	2,142	60%	60%				
Lac Courte Oreilles Band	WI	5,222	7,721	1,130	6,003	588	137	6,454	1,652	4,802	74%	537	1,115	1,652	658	658	1,115	49%	49%				
Lac du Flambeau Band	WI	3,273	1,643	357	1,165	121	34	1,192	638	534	45%	516	142	658	320	320	658	49%	49%				
Lac du Flambeau Community	WI	5,272	2,913	362	1,863	16	16	1,885	593	807	96%	243	340	587	243	340	587	36%	36%				
Saganaw Chippewa Community	MI	1,031	2,648	821	1,695	132	75	1,742	1,241	511	29%	183	1,046	1,241	113	113	1,046	10%	10%				
St. Croix Chippewa Indians	MI	1,560	737	93	547	97	128	516	251	265	51%	151	103	251	151	103	251	16	6%				
Michigan Agency																							
Bay Mills Indian Community	MI	1,584	1,268	361	852	55	25	862	610	272	31%	225	385	610	13	13	610	2%	2%				
Hannahville Indian Community	MI	744	583	205	361	17	43	335	170	165	49%	81	89	170	31	31	170	18%	18%				
Huron Potawatomi, Inc.	MI	671	374	82	285	27	127	185	185	0	0%	2	183	185	185	185	100%	100%					
Keweenaw Bay Indian Community	MI	3,883	2,077	753	1,218	126	202	1,142	786	376	33%	299	487	786	222	222	786	29%	29%				
Lac Vieux Desert Band	MI	442	322	137	175	10	30	155	141	14	9%	27	114	141	141	141	0	0%					
Little River Band of Ottawa Indians	MI	3,058	1,382	247	1,050	85	85	1,089	366	703	65%	247	116	366	131	131	366	25%	25%				
Little Traverse Bay Bands of Indian Communities	MI	3,889	1,382	278	977	107	251	1,333	401	432	52%	330	82	401	101	101	401	24%	24%				
Little Traverse Bay Bands of Indian Communities	MI	281	173	60	107	6	12	101	73	28	24%	6	47	73	24	24	73	24	33%				
Pocahontas Band of Potawatomi	MI	2,418	862	365	576	51	68	558	507	151	9%	47	469	507	178	178	507	35%	35%				
Saganaw Chippewa Indian Tribe	MI	3,016	1,268	405	786	75	86	765	631	134	18%	366	265	631	0	0	631	0%	0%				
Minnesota Agency																							
White Earth Band	MN	16,629	7,687	2,710	4,266	711	1,627	3,450	2,739	711	21%	693	2,046	2,739	603	26%	2,046	26%	26%				
Midwest Region TOTALS:		83,018	51,996	16,028	33,646	3,321	4,885	32,112	17,478	14,634	46%	7,201	10,377	17,478	6,137	35%	6,137	35%	35%				

NR = Totals Not Reported by tribes
* = 2001 Labor Force Data

Local Estimates of Indian Service Population and Labor Market Information

Navajo Region COMBINED TOTALS		SERVICE POPULATION: ON-OR-NEAR RESERVATION										Total Employed				
Agency, Tribe, and Reservation Names	State	Total Eligible for Employment (12/31/23)	Age Distribution Data					Labor Force Data					Public (N)	Private (O)	Total (11)	Employed but Below Poverty Line (%)
			Age 16-19 (1)	Age 20-24 (2)	Age 25-34 (3)	Age 35-44 (4)	Age 45-64 (5)	Not Available for Work (M)	Available for Work (W)	Unemployed as % of Labor Force (U)	Number Not Employed (N)	Number Employed (E)				
Chinle Navajo	AZ	40,434	10,823	16,064	9,888	8,248	4,537	3,711	45%	3,106	1,431	4,537	429	9%		
Eastern Navajo Agency	NM	49,853	13,300	20,910	12,513	10,330	2,654	7,695	74%	2,457	207	2,664	62	2%		
Fort Defiance Navajo	AZ	59,718	13,922	22,895	14,698	12,452	6,298	4,844	41%	1,972	4,306	2,296	1,258	21%		
Shiprock Agency	NM	17,184	9,915	12,710	5,521	4,725	1,858	1,858	100%	468	341	809	152	12%		
Shinrock Navajo	NM	9,649	1,894	3,078	807	1,885	1,500	725	64%	474	251	725	75	10%		
Shinrock Navajo	UT	38,008	7,249	13,005	1,502	8,305	6,201	4,193	2,008	32%	1,431	2,762	4,193	829	20%	
Western Navajo Agency	AZ	7,166	1,652	2,535	301	1,459	1,337	313	1,024	77%	153	180	313	48	15%	
Western Navajo	UT	45,910	13,552	20,395	12,888	10,343	4,330	6,013	56%	2,038	2,292	4,330	688	16%		
Navajo Region TOTALS:		264,066	67,809	105,179	12,803	82,792	24,247	29,535	54%	12,198	12,049	24,247	3,615	15%		

Local Estimates of Indian Service Population and Labor Market Information

Northwest Region		COMBINED TOTALS										SERVICE POPULATION - ON-OR-NEAR RESERVATION										Total Employed	
Agency, Tribe, and Reservation Names	States	Total Employment (M)	Age Distribution Data			Age Distribution Data			Age Distribution Data			Age Distribution Data			Labor Force Data			Total Employed					
			Age Under 18 (1)	Age 18-64 (2)	Age 65+ (3)	Age Under 18 (1)	Age 18-64 (2)	Age 65+ (3)	Age Under 18 (1)	Age 18-64 (2)	Age 65+ (3)	Age Under 18 (1)	Age 18-64 (2)	Age 65+ (3)	Available for Workforce (4)	Number of Labor Force (5)	Unemployed (6)	Unemployed as % of Labor Force (7)	Public (8)	Private (9)	Total (10)	Employed as % of Labor Force (11)	
Northwest Regional Office	OR	3,528	2,572	881	12,548	165	646	154	6,930	29	6,802	100%	22	6	28	28	864	206	23%				
Clatsop Agency	OR	9,023	5,023	2,239	8,943	741	154	154	6,930	29	6,802	100%	22	6	28	28	864	206	23%				
Fort Hall Agency	WA	450	314	87	208	21	30	197	131	68	34%	24	107	131	18	14%							
Shoshone-Bannock Tribes-Fort Hall	ID	4,844	13,847	0,097	9,749	1,131	907	9,073	1,884	6,099	81%	322	1,662	1,884	743	39%							
Northern Idaho Agency	ID	3,300	1,839	501	1,188	150	329	1,059	351	648	64%	381	0	381	0	0%							
Nez Perce Tribe	WA	689	3,437	1,680	1,738	269	461	1,546	0	0%													
Olympic Peninsula Agency	WA	2,855	1,752	83	1,028	114	95	1,073	677	395	37%	577	0	577	NR	NR							
Confederated Tribes of the Chehalis	WA	185	702	172	487	31	50	476	102	373	73%	65	37	102	68	97%							
Plummer Field Office	WA	1,907	1,210	480	643	87	87	643	843	0	0%												
Coeur D'Alene Tribe	WA	1,707	525	271	460	94	182	372	204	168	45%	75	126	204	70	34%							
Puget Sound Agency	WA	3,224	22,895	9,871	12,695	629	1,448	11,676	2,035	8,841	83%	2,035	2,035	2,035	1,412	69%							
Puyallup Tribe	WA	1,097	1,097	235	739	96	31	801	685	118	14%	306	379	685	51	7%							
Sauk-Suiattle Indian Tribe	WA	685	156	46	107	3	60	50	15	35	70%	15	0	15	NR	NR							
Shoquame Tribe	WA	595	595	79	451	65	0	515	252	264	51%	127	123	252	95	35%							
Upper Skagit Indian Tribe	WA	192	192	35	142	2	17	127	68	59	46%	69	0	69	28	41%							
Siletz Agency	WA	192	192	35	142	2	17	127	68	59	46%	69	0	69	28	41%							
Confed-Coos, Lumpqua, Siuslaw	OR	761	221	228	448	45	2	481	145	346	70%	148	0	148	74	51%							
Coquille Tribe	OR	817	398	146	220	32	0	252	62	190	75%	62	0	62	0	0%							
Cow Creek Band of Umpqua Indians	OR	1,239	454	164	284	26	52	238	107	131	55%	107	0	107	36	34%							
Spokane Agency	WA	384	188	96	90	9	39	60	51	9	15%	14	37	51	10	20%							
Kalispel Indian Community	WA	2,305	2,246	544	1,471	231	44	1,698	307	1,291	76%	397	0	397	180	49%							
Spokane Tribe of the Spokane Res.*	WA	2,452	2,622	787	1,652	283	738	1,697	922	175	19%	855	67	922	149	16%							
Warm Springs Agency	OR	339	257	91	151	15	10	148	49	99	67%	38	11	49	3	6%							
Confederated Tribes-Warm Springs	OR	4,248	3,359	1,333	1,956	114	50	1,222	627	595	39%	752	179	627	278	36%							
Confed Tribes & Bands-Yonkwa	WA	9,687	16,317	5,711	9,700	848	746	9,800	4,214	5,646	57%	1,053	3,161	4,214	1,200	28%							
TOTALS		87,223	87,398	28,726	53,478	5,194	8,668	52,006	16,464	35,542	65%	6,212	10,262	16,464	5,234	32%							

* = 2001 Labor Force Data

Local Estimates of Indian Service Population and Labor Market Information

Pacific Region COMBINED TOTALS		Age Distribution Data										Labor Force Data										Total Employed		Employed, but Below Poverty Guidelines	
Agency, Tribe, and Reservation Names	States	Tribal Enrollment (A)	Total Eligible for Services (B+C+D)	Age Under 16 (E)	Age 16-44 (F)	Age 45-64 (G)	Age 65 and Over (H)	Not Available for Work (I)	Available Work Force (J)	Unemployed as % of Labor Force (K)	Public (L)	Private (M)	Total (N)	Employed, but Below Poverty Guidelines (O)	% (P)										
Berry Creek Rancheria of Meeku	CA	464	464	100	286	18	18	18	286	0	286	2	257	286	9	3%									
Big Pine Band of Owens Valley Paiute	CA	389	414	40	354	20	68	389	389	17	188	2	115	117	0	0%									
Big Sandy Rancheria Mono & Pitt Riv.	CA	331	289	108	173	17	21	271	153	74	89	37	37	74	18	24%									
Bidwasert Paiute Indian Community	CA	698	592	232	233	17	15	235	103	132	96	91	12	103	48	47%									
Buena Vista Rancheria of Me-Wuk	CA	12	12	3	9	0	0	0	NR	NR	NR	NR	NR	NR	NR	NR									
Butter Valley Rancheria of Pomo Ind.	CA	33	38	8	24	1	1	24	24	4	3	4	17	21	0	0%									
Robinson Valley Rancheria of Pomo	CA	138	158	44	108	8	9	105	48	57	54	40	8	48	6	13%									
Round Valley Indian Tribe	CA	433	433	154	264	15	29	250	295	15	220	235	47	205	47	20%									
Round Valley Indian Tribe*	CA	3,957	3,574	937	2,411	228	312	2,323	2,577	2,068	168	89	257	176	68%										
Santa Rosa Indian Community	CA	44	44	21	23	0	0	23	5	18	79%	5	0	5	0	0%									
Shasta Indian Community	CA	692	421	183	228	12	10	228	51	177	79%	4	47	51	0	0%									
Shasta Valley Indian Tribe	CA	5	5	1	4	0	0	4	3	1	25%	3	0	3	0	0%									
Shasta Valley Rancheria of Pomo	CA	401	401	50	331	20	35	316	99	217	69%	50	49	99	72	73%									
Shingle Springs Band of Miwok Ind.	CA	310	310	119	179	12	22	169	130	39	23%	95	35	130	27	21%									
Table Mountain Rancheria	CA	115	115	49	59	7	39	27	19	0	30%	19	0	19	0	0%									
Northern California Agency																									
Alura's Indian Rancheria	CA	5	5	1	6	2	3	5	5	0	0%	1	4	5	0	0%									
Bear River Band-Rotherville Ranch.	CA	237	122	35	79	11	22	65	41	24	37%	21	20	41	17	41%									
Big Lagoon Rancheria of Smith River	CA	18	18	5	10	3	3	10	6	4	40%	5	1	6	0	0%									
Blue Lake Rancheria	CA	50	66	35	42	9	8	43	0	0%	0	3	40	43	4	9%									
Cedarville Rancheria	CA	28	36	13	21	2	2	21	9	12	57%	0	9	9	0	0%									
Cher-Ae Heights-Trinidad Rancheria	CA	162	162	48	105	9	3	111	42	69	62%	2	40	42	0	0%									
Elk Valley Rancheria	CA	100	50	7	33	10	0	43	19	24	59%	8	11	19	0	0%									
Fort Bidwell Indian Community	CA	277	277	73	188	16	33	171	57	114	67%	18	39	57	49	86%									
Pit River Tribe	CA	2,315	9,515	2,978	6,052	485	816	2,721	2,607	114	4%	647	1,990	2,607	2,607	100%									
Quartz Valley Indian Community	CA	175	194	87	39	43	5	4	91	54	37	41%	6	48	54	18	33%								
Resigham Rancheria	CA	99	87	39	43	5	4	44	18	26	59%	17	1	18	1	6%									
Smith River Rancheria	CA	984	3,254	696	1,150	408	520	2,038	1,916	122	6%	146	1,770	1,916	723	38%									
Susanville Indian Rancheria	CA	438	1,757	592	1,130	125	408	847	567	280	33%	46	521	567	555	98%									
Table Bluff Rancheria of Wiyot	CA	459	108	45	95	5	9	54	19	35	65%	10	9	19	5	26%									
Palm Springs Field Office																									
Agua Caliente Band of Cahuilla	CA	412	412	145	256	11	0	NR	NR	NR	NR	NR	NR	NR	NR	NR									
Southern California Agency																									
Augustine Band of Cahuilla Mission	CA	8	8	4	4	0	0	4	4	3	75%	0	1	1	0	0%									
Barona Group-Capitan Grande Band	CA	388	484	194	282	18	19	281	47	234	83%	27	20	47	0	0%									
Cahuilla Band of Mission Indians	CA	305	286	104	174	8	31	151	111	40	28%	58	53	111	34	31%									
Campo Band-Diegueno Mission Ind.	CA	313	332	65	255	12	35	232	92	140	60%	24	68	92	13	14%									
Inaja Band of Diegueno Mission Ind.	CA	19	19	6	12	1	0	13	3	10	77%	3	0	3	0	0%									
Jamul Indian Village	CA	53	53	10	35	8	6	35	18	17	49%	1	17	18	0	0%									

Local Estimates of Indian Service Population and Labor Market Information

Pacific Region COMBINED TOTALS		Age Distribution Data										Labor Force Data				Total Employed		Employed and Below Poverty Threshold	
Agency, Tribe, and Reservation Names	State	Total Population (1990)	Age 0-4	Age 5-14	Age 15-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65+	Not Available for Work (10)	Available for Work (10)	Number of Employed (10)	Unemployed as % of Labor Force	Public (10)	Private (10)	Total (10)	Employed and Below Poverty Threshold	
La Jolla Band of Luiseno Mission Ind.	CA	699	134	32	327	10	349	155	48	105	107	184	50%	0	4	4	10%		
La Posta Band of Diegueno Mission	CA	288	104	173	11	12	4	8	67%	0	4	4	2	4	4	4	50%		
Los Coyotes Band of Diegueno Mis.	CA	615	111	44	89	8	36	148	89	45	67	27	40	60%	12	15	27	3	
Mesa Grande Band of Diegueno Mis.	CA	1,098	1,642	500	141	811	236	657	657	0	0%	339	327	657	NR	NR	NR		
Paipai Band of Diegueno Mission	CA	382	1,033	45	53	131	443	185	278	85	86	185	40	24%	0	0	0		
Pachanga Band of Luiseno Mission	CA	1,475	843	386	474	83	83	47	38	428	55%	0	NR	NR	NR	NR	NR		
Rancho Band of Village of Cahulla	CA	7	2	5	0	0	0	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR		
Rincon Band of Luiseno Mission Ind	CA	665	585	82	497	66	66	467	226	238	51%	139	80	229	NR	NR	NR		
San Manuel Band of Serrano Mis.	CA	172	131	74	53	4	0	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR		
San Pascual Band of Cahulla Mis.	CA	429	284	17	203	74	31	246	246	0	0%	46	200	246	71	29%			
Santa Rosa Band of Cahulla Mis.	CA	209	209	94	101	14	14	101	46	52	51%	34	15	49	28	57%			
Santa Trinit Band of Chumash Mis.	CA	656	656	133	448	75	86	457	437	0	0%	277	160	437	147	34%			
Suscol Band of Luiseno Mission	CA	655	678	273	387	19	34	372	25	349	94%	23	0	23	0	0%			
Tenaya Band of Diegueno Mission	CA	35	35	18	17	0	0	17	18	18	51%	0	0	0	0	0			
Torres-Martinez Band-Cahulla Mis.	CA	673	52	108	368	45	48	37	22	3	25%	0	3	25	13	0			
Twenty-Nine Palms Band of Luiseno	CA	13	13	0	13	0	1	12	3	0	0%	0	0	0	0	0			
Viejas/Baron Long/Capitan Grande*	CA	268	271	63	172	36	22	186	60	126	68%	60	0	60	0	0			
Pacific Region TOTALS:		39,712	49,594	14,989	4,869	4,869	25,953	15,268	10,685	4,488	10,780	15,268	6,806	46%					

* = 2001 Labor Force Data NR = Totals Not Reported by Tribes

Local Estimates of Indian Service Population and Labor Market Information

Rocky Mountain COMBINED TOTALS		SERVICE POPULATION: ON-OR-NEAR RESERVATION														
Agency, Tribe, and Reservation Names	States	Total Employees (N)	Age Distribution Data						Labor Force Data							
			Age Under 18 (1)	Age 18-44 (2)	Age 45 & Over (3)	Not Available (4)	Available for Work or Social Work (5)	Number of Number (6)	Number Not (7)	Unemployed as % (8)	Public (9)	Private (10)	Total (11)	Persons Not Below Poverty Line # (12)		
Arapahoe Tribe of the Wind River Res.	WY	7,670	7,670	2,614	4,824	232	42	5,014	1,399	3,628	72%	694	392	1,286	108	8%
Arapahoe & Sioux Tribes-Fort Peck	MT	11,475	7,098	2,395	4,420	291	1,024	3,847	1,456	2,191	60%	828	693	1,458	473	33%
Blackfoot Tribe	MT	15,640	9,831	2,828	5,764	538	432	5,270	1,720	4,150	71%	1,350	370	1,720	788	48%
Crow Tribe of Montana	MT	10,927	7,739	2,740	2,822	340	522	3,746	1,251	2,195	59%	1,542	418	1,720	722	42%
Fort Belknap Tribe	MT	8,182	4,740	1,640	2,321	240	340	3,040	1,100	1,940	64%	654	116	753	153	21%
Northern Cheyenne Tribe	MT	8,182	6,006	1,804	3,281	193	290	3,184	830	2,354	74%	256	84	830	57	7%
Shoshone Tribe of Wind River Res.	WY	3,937	3,937	1,149	2,148	299	21	2,387	594	1,793	75%	539	55	594	124	21%
TOTALS		63,876	44,735	14,227	27,742	2,766	2,450	28,058	8,516	19,542	70%	6,593	1,923	8,516	2,390	28%

* = 2001 Labor Force Data NR = Totals Not Reported by Tribes

Local Estimates of Indian Service Population and Labor Market Information

Southern Plains COMBINED TOTALS		Age Distribution Data										Labor Force Data										Total Employed		Participating in Public Policy Outcomes	
Agency, Tribe, and Reservation Names	State	Total Tribal Enrollment (A)	Total Tribal Enrollment (B)	Age Under 18 (C)	Age 18-24 (D)	Age 25-34 (E)	Age 35-44 (F)	Age 45 & Over (G)	Not Available for Work (H)	Available for Work (I)	Number Employed (J)	Unemployed (K)	Unemployed % of Labor Force (L)	Public (M)	Private (N)	Total (O)	Participating in Public Policy Outcomes #	%							
Southern Plains Regional Office		1,001	633	143	270	294	104	190	NR	100	NR	NR	0%	NR	NR	0	NR	NR							
Alabama-Coushatta Tribe*	TX	477	476	182	270	294	104	190	NR	100	NR	NR	0%	NR	NR	0	NR	NR							
Kickapoo Traditional Tribe	TX	477	476	182	270	294	104	190	NR	100	NR	NR	0%	NR	NR	0	NR	NR							
Apache Tribe*	OK	1,848	2,937	1,017	1,600	300	225	1,692	190	1,215	102	79	89%	102	79	180	100	100%							
Caddo Tribe*	OK	3,075	3,975	1,087	2,623	285	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR							
Comanche Tribe*	OK	11,662	11,722	2,771	8,220	731	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR							
Fort Sill Apache Tribe	OK	679	570	238	307	27	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR							
Kiowa Indian Tribe*	OK	11,280	11,280	2,899	7,728	646	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR							
Kiowa and Affiliated Tribes*	OK	2,254	1,827	665	915	47	77	85	597	288	101	498	33%	101	498	597	NR	NR							
Osage Agency	OK	11,845	11,845	3,183	8,662	60	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR							
Richito Agency	OK	1,845	1,845	3,183	8,662	60	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR							
Lower Tribe*	KS	3,059	3,607	1,513	1,905	189	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR							
Kickapoo*	KS	1,833	1,825	472	1,251	102	128	1,225	253	972	129	124	79%	129	124	253	13	5%							
Prairie Band of Potawatomi*	KS	4,870	2,018	411	988	621	12	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR							
Sac and Fox of Missouri*	NE	440	18	5	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR							
Pawnee Agency	KS	422	409	109	283	31	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR							
Osage-Missouri Tribe*	OK	1,478	570	150	320	100	138	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR							
Pawnee Indian Tribe*	OK	2,931	1,985	464	1,303	172	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR							
Stonewall Tribe of Indians*	OK	1,611	1,102	419	651	25	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR							
Southern Plains Agency	OK	467	3,924	1,487	4,892	465	800	1,407	5,965	2,725	3,230	54%	1,783	942	2,725	1,306	48%								
Southern Plains TOTALS		60,028	60,395	17,269	38,727	4,409	7,733	5,965	2,725	3,230	1,783	942	54%	1,783	942	2,725	1,306	48%							

* = 2001 Labor Force Data NR = Totals Not Reported by tribes

Local Estimates of Indian Service Population and Labor Market Information

Southwest Region COMBINED TOTALS		SERVICE POPULATION: ON-OR-NEAR RESERVATION										Total Employed		Employed and Below Poverty Guidelines # %		
State's Agency, Tribe, and Reservation Names	Tribal Enrollment (P)	Total Eligible for Services (H)(C)(D)	Age Under 16 (E)	Age 16-24 (F)	Age 25-64 (G)	Age 65 & Over (H)	Not Available for Work (I)	Not Available for Work (J)	Available for Work (K)	Number of Labor Force (L)	Unemployed as % of Labor Force (M)	Public (N)	Private (O)	Total (P)	Employed and Below Poverty Guidelines #	%
Jicarilla Agency	3,403	2,700	869	1,705	126	185	1,666	1,112	554	1,041	33%	71	1,112	115	10%	
Laguna Agency	6,051	6,895	1,148	4,343	404	387	4,360	828	3,532	827	81%	1	828	NR	NR	
Mescalero Apache Agency	4,157	4,312	1,570	2,698	134	183	2,559	1,437	1,122	467	44%	970	1,437	254	16%	
Northern Pueblo Agency	643	441	174	260	24	32	242	157	85	157	38%	0	157	41	26%	
Pueblo of Nambe	344	344	140	174	13	15	174	92	78	106	10%	1	107	72	6%	
Pueblo of Poosaque	344	344	140	174	13	15	174	92	78	106	10%	1	107	72	6%	
Pueblo of San Juan	2,723	2,688	827	326	1,515	87	1,774	696	278	613	6%	83	696	220	33%	
Pueblo of San Ildefonso	652	757	169	490	79	101	469	311	157	204	34%	107	311	57	18%	
Pueblo of Taos	2,383	2,436	527	1,690	251	12	1,911	1,850	51	1,725	3%	135	1,860	965	52%	
Pueblo of Tesuque	455	435	137	253	45	8	260	195	64	117	34%	79	195	4	2%	
Ramah Navajo Agency	3,938	3,938	1,034	2,782	122	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	
Southern Pueblo Agency	4,784	4,782	918	3,460	44	44	NR	NR	NR	NR	NR	NR	NR	NR	NR	
Pueblo of Poosaque	3,639	3,639	1,034	2,782	122	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	
Pueblo of Santa Fe	4,441	4,441	1,017	3,012	412	166	3,365	2,295	1,060	32%	2,045	250	2,295	347	15%	
Pueblo of San Felipe	3,131	2,695	1,107	1,328	221	5	1,544	525	1,019	34%	493	32	525	14	3%	
Pueblo of Sandia	485	498	128	248	33	29	252	249	3	235	1%	249	14	249	70	28%
Pueblo of Santa Ana	716	734	188	486	59	122	423	364	59	121	24%	243	364	50	14%	
Pueblo of Santo Domingo	4,462	4,807	1,752	2,821	234	624	2,431	2,054	377	1,879	16%	1,879	175	2,054	934	45%
Pueblo of Zia	817	1,227	620	597	50	132	475	470	5	78	392	470	28	28	9%	
Ysleta Del Sur Pueblo of Texas	1,293	998	239	595	72	47	820	301	319	50	51%	50	251	301	25	9%
Southern Ute Agency	1,399	2,101	634	1,338	129	802	665	534	131	297	20%	237	534	120	22%	
Ute Mountain Tribe	2,098	2,098	671	1,360	61	17	1,724	1,234	490	52	6%	1,182	1,234	208	17%	
Zuni Tribe of the Zuni Reservation	997	995	283	692	575	2,085	4,437	1,891	2,546	1,413	64%	176	1,591	110	7%	
Southwest Region TOTALS:	65,469	61,429	17,775	38,168	5,485	6,195	30,762	18,297	12,475	13,684	41%	4,703	18,297	4,371	24%	

* = 2001 Labor Force Data NR = Totals Not Reported by tribes

Local Estimates of Indian Service Population and Labor Market Information

Western Region COMBINED TOTALS		SERVICE POPULATION: ON-OR-NEAR RESERVATION - 1 of 2										Total Employed				
Agency, Tribe, and Reservation Names	States	Total Enrollees (A)	Age Distribution Data					Labor Force Data					Public (E)	Private (F)	Total (G)	Percent Below Poverty Line (H)
			Age Under 15 (B)	Age 15-14 (C)	Age 15-14 Over (D)	Not Available for Work (I)	Available for Work (J)	Number of Employees (K)	Number of Employees (L)	Number of Employees (M)	Percentage of Labor Force (N)					
Colorado River Agency	CA	768	190	186	12	12	108	57	51	47%	55	4	57	12	21%	
Colorado River Indian Tribe	AZ	3,635	2,292	1,375	152	20	332	228	106	32%	242	319	271	52	15%	
Fort Mojave Indian Tribe	AZ	670	534	182	325	27	20	332	106	32%	242	0	182	40	22%	
Eastern Nevada Field Office	CA	477	528	195	312	23	18	317	182	43%	182	0	182	0	22%	
Confederated Tribes of Goshute Res	NV		19	4	13	2	3	12	10	2	17%	5	5	10	4	40%
Confederated Tribes of Goshute Res	UT	440	188	48	117	2	9	110	70	40	30%	48	21	70	32	46%
Te-Moak Tribe - Battle Mountain*	NV	575	575	84	411	70	411	NR	NR	NR	NR	NR	NR	NR	NR	
Te-Moak Tribe - Elko Colony*	NV	1,994	1,994	380	1,123	111	190	1,044	409	63%	168	241	409	33	8%	
Te-Moak Tribe - Ely Colony*	NV	288	288	31	174	21	4	191	39	152	80%	0	39	39	5	13%
Te-Moak Tribe - Verdi Colony*	NV	262	262	46	159	17	12	144	27	117	81%	0	27	27	12	44%
Fort Apache Agency	AZ	13,230	12,213	3,733	7,974	566	665	7,815	3,848	3,966	51%	2,851	1,188	3,848	1,930	50%
White Mountain Apache Tribe	AZ	940	1,081	313	726	40	NR	NR	NR	NR	NR	NR	NR	NR	NR	
Cocopah Tribe	AZ	2,688	2,688	819	1,573	276	504	1,345	625	720	64%	0	625	625	0	0%
Quechan Tribe of the Fort Yuma*	CA															
Hopi Agency	AZ	11,843	7,207	1,880	4,844	683	105	5,222	1,997	3,225	62%	730	1,207	1,997	448	22%
Papago Agency	AZ	29,510	29,295	7,900	16,469	1,929	1,047	17,948	4,539	12,809	71%	4,148	391	4,539	1,006	23%
Tohono Oodham Nation	AZ	1,671	1,671	1,629	621	430	8,023	1,522	6,501	81%	938	583	1,522	381	25%	
San Carlos Agency	AZ	10,273	10,273	1,829	7,852	621	430	8,023	1,522	6,501	81%	938	583	1,522	381	25%
San Geronimo Tribe	AZ	1,039	1,039	359	682	88	207	1,683	218	215	46%	182	112	246	NR	
San Xavier Indian Tribe	AZ	934	1,109	359	682	88	207	1,683	218	215	46%	182	112	246	NR	
Fort McDowell Yavapai Nation	AZ	13,937	10,075	4,856	4,871	248	1,401	4,109	3,770	71%	2,454	327	3,270	1,562	89%	
Pescuero Yuma Tribe	AZ															
Southern Paiute Field Office	AZ	258	188	68	96	3	12	87	58	28	33%	37	21	58	12	21%
Kaiabab Band of Paiute Indians	NV	55	69	7	57	5	0	62	26	36	58%	0	26	26	0	0%
Las Vegas Tribe of Paiute Indians*	NV	295	295	61	220	14	5	229	62	187	73%	41	21	82	3	5%
Mogapa Band of Paiute Indians	UT	834	1,120	439	841	40	168	513	498	47	9%	36	430	466	343	74%
Paiute Indian Tribe	UT	254	152	83	64	5	3	66	12	54	82%	12	0	12	2	17%
San Juan Southern Paiute Tribe*	AZ															

Local Estimates of Indian Service Population and Labor Market Information

Western Region COMBINED TOTALS		SERVICE POPULATION: ON-OR-NEAR RESERVATION - 2 of 2												
Agency, Tribe, and Reservation Names	State	Total Enrollment (A)	Age Distribution Data			Labor Force Data				Total Employed			Residence in Public Poverty Quintile # %	
			Age Under 16 (B)	Age 15-14 (C)	Age 14 & Over (D)	Not Available for Work (E)	Available for Work (F)	Number Employed (G)	Unemployed (H)	Employed in Public (I)	Employed in Private (J)	Total (K)		
Truxton Canon Field Office														
Maricopa Indian Tribe	AZ	1,878	170	1,079	629	32	1,511	116	360	114	2	116	61	44%
Maricopa Indian Tribe	AZ	1,878	1,077	1,077	801	87	1,511	153	460	103	460	103	37	24%
Tonto Apache Tribe	AZ	1,225	331	84	84	4	805	391	46	10	26	36	0	0%
Yavapai-Apache of Camp Verde	AZ	1,837	632	1,129	65	805	392	120	205	96	30	126	5	4%
Yavapai-Prescott of Prescott	AZ	191	252	144	24	40	128	116	12	6	110	116	0	0%
Utah Ind. Tribe of the Uintah & Ouray*	UT	118	26	3	22	1	0	23	7	16	7	0	7	0%
Utah Ind. Tribe of the Uintah & Ouray*	UT	3,174	826	2,354	84	0	2,346	544	1,804	544	0	544	63	12%
Western Nevada Agency														
Fort McDowell Paiute and Shoshone	NV	1,032	987	479	49	88	436	46	389	46	389	46	389	89%
Goshute Tribe	NV	291	285	42	4	0	285	0	0	0	0	0	0	0%
Grain Processing Tribe of the Fallon*	NV	2,451	1,252	1,252	212	1,040	84	212	841	0	841	205	35%	
Grain Processing Tribe of the Fallon*	NV	2,451	1,252	1,252	212	1,040	84	212	841	0	841	205	35%	
Repos-Sparks Indian Colony	NV	701	133	720	135	214	1,245	765	480	877	88	765	267	35%
Summit Lake Paiute Tribe	NV	106	133	90	6	5	10	NR	NR	NR	NR	NR	NR	NR
Walker River Paiute Tribe	NV	2,219	1,189	539	54	96	6	NR	NR	NR	NR	NR	NR	NR
Washoe Tribe*	CA	1,532	1,850	237	1,183	160	0	NR	NR	NR	NR	NR	NR	NR
Winnemuccia Indian Colony*	NV	771	68	41	7	17	31	24	7	23%	0	24	24	21
Yerington Paiute Tribe	NV	988	505	190	290	36	26	290	116	174	60%	54	116	34
Yomba Shoshone Tribe of Yomba	NV	298	111	32	71	6	16	63	39	24	39%	0	39	24
Western Region TOTALS:		113,358	26,337	60,653	6,626	6,117	85,696	22,327	34,589	61%	15,639	6,786	22,327	7,958

* = 2001 Labor Force Data NR = Totals Not Reported by tribes

Local Estimates of Indian Service Population and Labor Market Information

Self-Governance COMBINED TOTALS										SERVICE POPULATION: ON-OR-NEAR RESERVATION - 1 of 6									
Region (Area), Tribe, and Reservation Names	State	Total Enrollment	Total Available for Services (1)	Age Distribution Data			Labor Force Data			Total Employed			Employed and Below Poverty Guidelines (%)						
				Age Under 18	Age 18-64	Age 65+	Available for Workforce (2)	Number Not Employed (3)	Unemployed as % of Labor Force (4)	Public (5)	Private (6)	Total (7)							
				Age 0-17	Age 18-64	Age 65+	Not Available for Work (2)	Number Employed (3)	Unemployed as % of Labor Force (4)	Public (5)	Private (6)	Total (7)							
Southwest Region																			
Santa Clara Pueblo	NM	2,800	2,800	589	2,088	123	830	1,228	143	1,238	0	1,238	51						
Southern Plains Region																			
Absentee Shawnee Tribe	OK	3,013	12,721	3,094	8,890	637	3,731	6,896	4,805	3,924	891	4,805	4,195						
Citizen Potawatomi Nation	OK	24,504	11,611	3,412	6,842	657	1,117	6,492	2,189	3,209	4,295	3,209	836						
Delaware Tribe of Western OK	OK	1,302	475	120	311	44	119	258	118	118	0	118	NR						
Raw Nation	OK	2,724	3,621	1,210	2,151	290	989	1,812	1,293	519	299	301	992						
Pickens Tribe	OK	2,675	2,675	900	1,650	125	90	1,685	1,150	530	315	225	930						
Red Lake Tribe	OK	2,870	1,870	1,254	516	126	1,223	955	318	295	955	0							
Saw and Fox Nation of Oklahoma	OK	3,185	2,325	3,025	660	2,974	2,453	194	9%	2,425	0	2,425	1,413						
Rocky Mountain Region																			
Chippewa Cree Tribe	MT	5,059	4,372	1,714	2,465	195	108	2,520	527	1,993	492	35	527						
Eastern Region																			
Wampanoag Tribe of Gay Head	MA	1,055	304	91	191	22	11	202	113	89	44%	113	27						
Midwest Region																			
Bois Forte Band of Chippewa Tribe	MIN	2,931	2,644	1,031	1,428	185	479	1,137	537	600	53%	365	154						
Pond du Lac Band of Lake Superior	MIN	3,962	3,579	677	2,439	297	388	2,334	1,810	524	22%	1,079	731						
Red Lake Band of Chippewa	MIN	3,958	3,571	628	2,729	197	108	2,822	1,174	1,648	58%	171	9						
Grand Traverse Band of Ottawa and Chippewa	MIN	3,958	3,571	628	2,729	197	108	2,822	1,174	1,648	58%	171	9						
Leech Lake Band	MIN	8,294	8,275	2,803	5,772	892	1,058	3,839	2,841	598	26%	2,841	1,989						
Millie Lucas Band of Ojibwe Indians	MIN	3,802	2,963	747	1,950	115	237	3,199	817	102	10%	569	348						
Ojibwa Tribe of Indians	VA	14,745	5,382	1,816	3,189	378	376	3,190	1,780	1,410	44%	1,780	NR						
Red Lake Band of Chippewa Indians	MIN	9,539	9,512	3,172	6,244	490	362	6,378	2,572	3,806	60%	2,542	30						
Sawit. Ste. Marie Tribes of Chippewa	MI	30,324	16,415	3,699	12,602	744	0	12,816	3,541	9,275	72%	3,541	0						
Eastern Oklahoma Region																			
Cherokee Nation	OK	241,228	123,215	25,205	83,985	14,027	55,879	45,133	27,336	14,797	30%	27,336	0						
Chickasaw Nation	OK	48,934	26,746	8,864	15,984	1,918	4,873	13,099	10,537	2,721	21%	10,237	0						
Chickasaw Nation	OK	162,721	92,550	30,008	49,157	12,895	11,626	59,810	31,438	19,172	38%	17,748	13,680						
Eastern Shawnee Tribe	OK	2,223	882	198	347	49	38	429	199	230	53%	41	52						
McCurry Tribe	OK	1,689	1,689	46	56	7	5	67	16	78	80%	16	0						
Muscogee (Creek) Nation	OK	55,855	55,817	13,810	37,330	4,677	35,702	33,260	1,293	9,427	24,353	33,780	6,324						
Seneca-Cayuga Tribe	OK	3,996	1,214	399	748	87	702	476	228	19	45%	476	159						
Wyanadotte Tribe	OK	4,303	2,159	906	1,409	244	58	1,695	1,235	300	23%	310	925						

Notes on Self-Governance Tribes have been provided by the Office of Self-Governance, Department of the Interior. Some duplication of data may exist with data submitted by the Citizen Potawatomi Nation, Chickasaw Nation of Oklahoma, Cherokee Nation of Oklahoma, Chickasaw Nation, Citizen Potawatomi Nation, Delaware Tribe of Western Oklahoma, Eastern Shawnee Tribe of Oklahoma, Grand Traverse Band of Ottawa and Chippewa, Leech Lake Band, Millie Lucas Band of Ojibwe Indians, Red Lake Band of Chippewa, Red Lake Band of Chippewa Indians, Sawit. Ste. Marie Tribes of Chippewa, and Thlopthlocco Tribal Town.

Local Estimates of Indian Service Population and Labor Market Information

Self-Governance Combined Totals		Age Distribution Data										Labor Force Data				Total Employed		Percent of Labor Force by Gender	
State	Fiscal Estimate (A)	Total Eligible for (H)(H)(H)	Age Under 18 (1)	Age 18-64 (2)	Over 65 (3)	Age 65+ (4)	Not available (5)	Available for Work (B)	Number Employed (C)	Unemployed (D)	Unemployed as % of (B)	Public (E)	Private (F)	Total (G)	Male (H)	Female (I)			
Alaska - Aleutian Pribilof Islands	193	56	14	41	3	3	41	35	6	15%				35	0	0%			
Aniak, Native Village of	174	80	22	48	10	12	48	45	3	2%				24	21	8 13%			
Atkasook, Native Village of	52	22	12	9	1	1	48	3	15	31%				11	9	0 19%			
Barrow, Native Village of	51	22	12	9	1	1	48	3	15	31%				11	9	0 19%			
Chukchi, Native Village of	85	19	15	5	9	5	9	5	4	44%				5	0	0 50%			
Chukchi, Native Village of	51	17	30	4	2	32	28	4	13%					21	28	14 50%			
St. George	131	110	31	71	8	2	74	39	35	48%				31	7	38 11 29%			
St. Paul	653	450	180	239	31	32	238	179	60	25%				153	25	178 27 15%			
Unga, Native Village of	87	87	12	61	14	9	66	4	62	94%				4	0	0 0%			
Alaska - Bristol Bay Native Assoc.																			
Aleknagik, Native Village of	351	209	57	137	14	68	83	69	14	17%				33	96	69 32 46%			
Chignik, Native Village of	218	87	22	58	7	32	33	33	0	0%				14	33	5 15%			
Chignik, Native Village of	22	12	6	6	5	29	28	2	37	54%				27	8	32 22 69%			
Chukchi, Native Village of	138	74	24	43	7	31	19	16	3	15%				9	9	0 92%			
Chukchi, Native Village of	218	74	24	43	7	31	19	16	3	15%				9	9	0 92%			
Chukchi, Native Village of	138	74	24	43	7	31	19	16	3	15%				9	9	0 92%			
Dillingham Native Village*	218	225	442	1,817	192	1,171	638	435	203	32%				400	35	435 183 33%			
Egegik, Village	205	109	24	81	4	24	61	20	41	67%				14	6	20 6 45%			
Ektuk, Native Village of	66	2	0	2	0	0	2	2	0	0%				0	2	0 0%			
Etrokovik, Village of	242	130	49	69	12	27	54	27	27	50%				21	6	27 15 56%			
Iliamna, Village of	103	91	16	73	2	64	11	11	0	0%				11	0	11 2 18%			
Ivanoff Bay Village*	15	5	4	1	1	4	1	4	1	75%				1	0	1 1 100%			
Kanatak, Native Village of*	133	57	5	51	1	0	52	2	50	96%				2	0	2 0 0%			
Kobuk, Native Village of	190	174	43	117	14	44	67	37	50	57%				33	4	37 32 86%			
Kotliarsk, Village	262	174	60	98	16	64	50	48	4	8%				42	4	46 21 46%			
Lewislock Village	209	124	42	69	13	35	47	34	13	28%				25	9	34 18 53%			
Marathon Village*	815	404	134	231	33	80	189	62	127	33%				73	15	88 56 64%			
Marathon Village*	268	110	33	71	6	33	24	30	12	50%				31	32	21 47%			
Perovaya, Native Village of	156	98	33	68	5	50	133	9	14	33%				6	0	6 0 100%			
Port Heiden, Native Village of*	116	116	30	74	12	39	47	39	9	19%				28	10	38 4 11%			
Portage Creek	60	33	16	15	2	2	15	2	13	87%				2	0	2 0 100%			
South Nahneke Village	245	137	29	84	14	49	59	42	17	29%				28	14	42 18 43%			
Topiak, Traditional Village of	915	808	273	488	77	157	388	155	213	55%				99	56	155 116 75%			
Twin Hills Village	96	70	22	35	13	15	33	15	18	55%				9	6	15 8 53%			
Upeahik, Village	81	12	0	11	1	4	8	5	3	38%				5	0	5 0 100%			

Local Estimates of Indian Service Population and Labor Market Information

Self-Governance COMBINED TOTALS		SERVICE POPULATION: ON-OR-NEAR RESERVATION - 4 of 6										Total Employed			
State's	Total	Age Distribution Data			Labor Force Data			Unemployed as % of Force		Public (15)		Private (16)		Total (17)	Employed for Below Average (18)
Estimate (A)	Estimate (B)	Age Under 18 (1)	Age 18-44 (2)	Age 45 & Over (3)	Not Available (4)	Number Employed (5)	Number for (6)	Unemployed as % of Force (8)	Public (15)	Private (16)	Total (17)	Employed for Below Average (18)			
AK	65	22	10	4	0	14	6	8	57%	6	6	0	0%		
AK	248	261	86	3	4	161	47	114	71%	44	3	47	24		
AK	298	134	38	78	18	87	52	35	40%	35	17	52	16		
AK	90	79	29	39	11	5	45	26	19	42%	26	0	26		
AK	108	117	26	83	8	13	79	45	33	42%	30	15	45		
AK	85	91	20	65	6	11	60	35	25	42%	23	12	35		
AK	132	142	31	101	10	16	95	54	41	43%	36	18	54		
AK	302	326	73	200	23	38	215	124	91	42%	82	42	124		
AK	147	159	35	113	11	18	106	61	45	42%	40	21	61		
AK	803	803	309	445	49	250	244	229	18	7%	139	87	228		
AK	50	48	20	25	4	0	29	15	14	48%	15	0	15		
AK	244	138	57	66	15	4	77	38	39	51%	38	0	38		
AK	102	102	31	65	6	6	65	7	58	89%	6	1	7		
AK	449	389	116	259	24	34	249	19	230	92%	17	2	19		
AK	684	667	323	317	27	88	256	99	157	61%	99	0	99		
AK	121	115	54	56	5	0	84%	10	51	84%	10	0	10		
AK	371	278	104	148	24	76	98	71	25	26%	60	11	71		
AK	344	338	94	221	23	126	118	81	37	31%	81	0	81		
AK	1,356	1,011	443	512	56	115	453	170	283	62%	136	34	170		
AK	190	160	70	105	15	28	12	37	55	60%	23	14	37		
AK	480	450	147	290	13	46	187	108	48	31%	103	5	108		
AK	570	570	205	343	22	172	183	96	97	50%	78	18	96		
AK	75	75	24	46	5	6	45	24	21	47%	24	0	24		
AK	528	506	130	154	22	6	170	83	87	51%	75	8	83		
AK	512	401	184	210	27	34	203	46	157	77%	36	10	46		
AK	633	480	180	277	23	53	247	128	119	48%	69	59	128		
AK	80	81	27	47	7	2	52	30	58%	14	8	22	7		
AK	65	59	26	27	6	9	30	20	4	17%	15	5	20		
AK	619	641	235	372	34	76	330	63	267	81%	55	8	63		
AK	140	98	36	57	5	4	88	21	37	64%	21	0	21		
AK	28	28	5	21	2	0	31	3	30	7%	3	0	3		
AK	580	574	264	269	21	0	310	84	228	77%	84	0	84		
AK	245	170	74	85	11	50	68	39	7	15%	25	14	39		
AK	126	111	51	50	10	10	50	23	27	54%	23	0	23		
AK	48	56	24	30	2	13	13	13	0	54%	13	0	13		
AK	421	324	150	167	17	93	21	75	16	18%	53	22	75		

Local Estimates of Indian Service Population and Labor Market Information

Self-Governance Combined Totals		Age Distribution Data										Labor Force Data										Total Employed	
State	Tribe and Village	Total Enclosures (A)	Total Enclosures (B)	Age Under 16 (C)	Age 16-17 (D)	Age 18-24 (E)	Age 25-34 (F)	Age 35-44 (G)	Age 45-54 (H)	Age 55-64 (I)	Age 65+ (J)	Not Available for Work (K)	Available for Work (L)	Number Employed (M)	Unemployed as % of Labor Force (N)	Public (O)	Private (P)	Total (Q)	Employed but Below Poverty Guidelines (R)				
AK	Alaska Assoc. of Native Villages	70	129	33	9	24	0	15	23	12	32	41	48%	13	0	13	0	12	5	42%			
AK	Alutaiq Village	257	129	35	84	10	15	29	32	17	38	32	41%	18	13	32	13	32	5	41%			
AK	Anvik Village	221	96	30	69	6	14	52	18	34	85%	6	18	10	8	18	7	39%	1	59%			
AK	Birch Creek Village	84	22	6	12	4	4	12	5	7	85%	2	0	5	5	2	0	5	2	40%			
AK	Dog Lake	113	22	5	22	3	22	10	12	55%	6	4	10	4	10	4	0	10	4	40%			
AK	Eagle, Native Village of	581	612	167	998	37	37	398	208	100	32%	140	68	208	83	40%	0	208	83	40%			
AK	Fort Yukon, Native Village of	652	429	146	238	24	27	253	230	93	22%	144	95	230	86	40%	0	230	86	40%			
AK	Galena Village (Cooden)	314	17	10	16	10	16	10	16	10	16	10	16	10	16	10	16	10	16	10	16		
AK	Harpok Village	314	17	10	16	10	16	10	16	10	16	10	16	10	16	10	16	10	16	10	16		
AK	Holly Cross Village	528	216	82	120	17	21	116	79	37	32%	56	23	79	32	41%	0	79	32	41%			
AK	Hughes Village	138	61	23	31	7	9	29	13	16	55%	12	1	13	6	35%	0	13	6	35%			
AK	Huslia Village	522	274	110	144	20	28	136	83	53	35%	41	42	83	33	40%	0	83	33	40%			
AK	Katiga, Village of	404	194	68	108	18	20	106	57	49	48%	35	22	57	23	40%	0	57	23	40%			
AK	Koyukuk Native Village	280	92	31	54	7	7	54	38	18	33%	26	10	38	14	39%	0	38	14	39%			
AK	Manley Hot Springs Village	71	17	2	10	5	5	10	5	5	50%	2	3	5	2	40%	0	5	2	40%			
AK	McGrath Native Village	322	178	60	108	18	20	106	57	49	48%	35	22	57	23	40%	0	57	23	40%			
AK	Nimto, Native Village of	124	237	85	98	22	25	121	83	74	24%	43	38	81	15	36%	0	81	15	36%			
AK	Niina, Native Village of	157	82	32	58	11	13	61	33	39	35%	28	31	39	16	41%	0	39	16	41%			
AK	Niukoh Village	157	82	32	58	11	13	61	33	39	35%	28	31	39	16	41%	0	39	16	41%			
AK	Remnant Village	21	40	11	25	4	7	22	13	9	41%	5	8	13	6	35%	0	13	6	35%			
AK	Ruby, Native Village of	418	159	57	89	10	17	82	44	38	45%	22	22	44	18	41%	0	44	18	41%			
AK	Shageluk Native Village	249	125	49	63	13	13	63	37	26	41%	23	14	37	15	41%	0	37	15	41%			
AK	Takoma Village	42	21	8	9	4	3	10	3	7	70%	2	1	3	1	33%	0	3	1	33%			
AK	Tenacross, Native Village of	169	124	37	79	9	20	67	29	30	57%	8	21	29	12	41%	0	29	12	41%			
AK	Telida Village	2	3	0	1	2	0	3	0	0	100%	NR	NR	NR	NR	NR	NR	NR	NR	NR			
AK	Tetlin Village	281	109	26	71	10	38	19	17	2	11%	8	9	17	7	41%	0	17	7	41%			
AK	Totomoni Village	715	715	202	473	49	6	507	101	406	85%	81	20	101	85	84%	0	101	85	84%			
AK	Umanak Village	218	218	153	14	1	1	18	82	57	26%	57	0	57	26	46%	0	57	26	46%			
AK	Umanak Village (Govern)	218	218	153	14	1	1	18	82	57	26%	57	0	57	26	46%	0	57	26	46%			
AK	Umanak Village of	131	105	33	68	4	12	60	34	26	43%	4	18	34	2	6%	0	34	2	6%			
AK	Umanak Village of	406	292	88	155	19	16	265	131	137	51%	86	45	131	36	23%	0	131	36	23%			
AK	King Island Native Community	477	414	130	268	19	16	265	131	137	51%	86	45	131	36	23%	0	131	36	23%			
AK	Koyuk, Native Village of	381	200	89	144	17	22	138	49	90	69%	48	1	48	38	78%	0	48	38	78%			
AK	Mary's Igloo, Native Village of	88	196	22	78	8	8	78	15	61	80%	14	1	15	14	93%	0	15	14	93%			
AK	Nome Eskimo Community	2,123	2,123	442	1,538	143	0	1,881	1,078	603	39%	1,078	0	1,078	0	1,078	0	1,078	246	23%			

Local Estimates of Indian Service Population and Labor Market Information

Self-Governance Combined Totals		Age Distribution Data										Labor Force Data				Total Employed		Employed Not Below Poverty Objective						
State	Tribe, and Village Names	Total Enrolled (1990)	Age 18-19 (1990)	Age 20-24 (1990)	Age 25-29 (1990)	Age 30-34 (1990)	Age 35-39 (1990)	Age 40-44 (1990)	Age 45-49 (1990)	Age 50-54 (1990)	Age 55-59 (1990)	Age 60-64 (1990)	Age 65-69 (1990)	Age 70-74 (1990)	Age 75-79 (1990)	Age 80-84 (1990)	Age 85-89 (1990)		Age 90-94 (1990)	Age 95-99 (1990)	Age 100+ (1990)	Public (10)	Private (10)	Total (10)
AK	Alaska Corp., Tribe, and Village Names	399	183	160	11	6	165	103	62	38%	40	63	103	65	63%									
AK	Saint Michael, Native Village of	399	183	160	11	6	165	103	62	38%	40	63	103	65	63%									
AK	Savonoga, Native Village of	793	309	381	59	25	395	84	301	76%	87	7	94	47	50%									
AK	Shaktocik, Native Village of	205	71	122	12	3	131	58	75	67%	55	1	56	15	27%									
AK	Shashmeaf, Native Village of	643	593	196	272	35	149	158	128	32	20%	118	10	128	100	79%								
AK	Sobomun, Village of	68	61	18	37	6	0	43	16	25	88%	9	9	18	4	22%								
AK	Stebbins Community Assoc.	642	642	278	343	21	6	358	61	297	83%	60	1	61	55	92%								
AK	Teeter, Native Village of	208	81	22	99	10	25	44	38	6	14%	31	7	38	28	68%								
AK	Upernivik, Native Village of	1541	698	98	588	71	97	540	371	189	31%	354	17	371	145	39%								
AK	Uyas, Native Village of	337	146	81	15	13	83	37	41	45%	28	1	29	11	36%									
AK	White Mountain, Native Village of	351	334	157	161	16	161	39	122	76%	39	0	39	31	78%									
AK	Amber, Native Village of*	186	178	84	86	8	86	41	45	52%	41	0	41	28	60%									
AK	Deating, Native Village of*	389	370	174	179	17	179	39	140	76%	39	0	39	34	87%									
AK	Kovalina, Native Village of*	78	74	35	35	4	0	39	5	34	87%	5	0	5	4	60%								
AK	Kobuk, Native Village of*	296	253	119	122	12	10	124	20	104	84%	20	0	20	15	75%								
AK	Shungnak, Native Village of*	493	464	30	328	48	199	175	119	36	32%	34	85	119	85	71%								
AK	Uglokon Community Association	254	254	4,395	16,839	2,171	9,268	11,524	8,133	2,619	25%	4,543	4,000	8,543	4,260	68%								
AK	Upernivik, Native Village of*	452	426	193	208	26	144	169	131	29	18%	100	31	131	102	76%								
AK	Upernivik, Native Village of*	452	426	193	208	26	144	169	131	29	18%	100	31	131	102	76%								
AK	Upernivik, Native Village of*	452	426	193	208	26	144	169	131	29	18%	100	31	131	102	76%								
AK	Upernivik, Native Village of*	452	426	193	208	26	144	169	131	29	18%	100	31	131	102	76%								
AK	Upernivik, Native Village of*	452	426	193	208	26	144	169	131	29	18%	100	31	131	102	76%								
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AK	Upernivik, Native Village of*	452																						

Local Estimates of Indian Service Population and Labor Market Information

Self-Governance Combined Totals		Age Distribution Data										Labor Force Data						Total Employed	
Alaska Corp., Tribe, and Village Names	Total Eligible for Employment (AK)	Pop Under 18	Age 18-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65-74	Age 75+	Not Available for Work	Number of Workforce	Number Not Employed	Unemployed as % of Labor Force	Public (B)	Private (C)	Govt (D)	Employed but Below Poverty Guidelines #	%	
Alaska Native Village	715	168	395	302	244	17	81	203	243	31	243	23	8%	41	17	68	20	34%	
Alaska Native Village	385	149	295	304	243	0	243	0	243	0	243	0	20%	243	0	243	231	95%	
Alaska Native Village	421	100	80	62	31	31	31	50%	31	31	31	31	50%	23	8	31	15	48%	
Self-Governance Totals:	813,751	169,005	398,817	322,800	112,191	123,628	97,121	210,649	66,557	32%	123,628	97,121	35%	123,628	97,121	210,649	66,557	32%	

* = 2001 Labor Force Data NR = Totals Not Reported by Tribes



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and Labor Force Report

U.S. Department of the Interior

Bureau of Indian Affairs
Office of Tribal Services

