

Committee on Indian Affairs
United State Senate

Hearing on Indian Transportation
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Testimony of Mr. Richard Milanovich
Chairman of the Agua Caliente Band of Cahuilla Indians

Mr. Chairman and Members of the Committee. Thank you for the opportunity to share ideas with you that highlight the solutions to the transportation challenges that are faced by Indian Tribes nationwide the 392 members of the Agua Caliente Band or Chuilla Indians on our Reservation in Palm Springs, California.

Our reservation is somewhat unique. When it was created in 1868 our Tribe received every even section of land in part of what is Palm Springs, Palm Desert, and Rancho Mirage and Riverside in the Coachella Valley. In the mid-1950s, our reservation was distributed to tribal members in allotments. We have an active program of repurchasing allotment interests when they become available.

Our transportation issues and challenges, however, are largely a result of our existing checkerboard land ownership patterns and the growth of the communities around our Reservation.

Today my testimony will address three subjects: (1) our innovative proposal for tribal road bonding; (2) the current Indian Reservation Road program, including proposed modifications of that program; (3) specific road projects that we are working on independently and with the City of Palm Springs.

First, we have put forward an innovative finance proposal for Tribal roads. A copy of it is attached to my testimony. Our Tribal Road Bonding Proposal supplements the current IRR program. It draws on the growing financial sophistication and wherewithal of many tribes and it allows us to assist other tribes by bringing them into the world of modern bonding finance.

This comes, I might add, at a time where our tribe is just receiving its first bond rating, something we are quite proud about.

Our proposal works like this. When a Tribe, or Tribes cooperatively, wish to build a road to service their reservation, the design and plans for the road are developed. The road is included on the Tribal Transportation Plan or any other existing transportation plan.

The Tribe takes that design and plan to the Department of Transportation who check to see that all is in order with the design and costs are in line. We can, but are not

required, to make a Tribal contribution towards the project. If we contribute twenty-five percent of the project cost, then the Tribe's project is eligible for one-half of the money available under the bonding program. The total available in the first year under our proposal is \$100,000,000, so that would mean \$50,000,000 is available for tribes that put up at least 25 percent. The remainder is available for joint proposals and on a first-come, first-served basis.

When DOT approves the project, it issues a commitment. The commitment is to pay the remaining cost of the project over a period of years. The tribe takes the commitment and then issues a bond to cover the cost of the project. From the proceeds of the bond, it builds the project in that year.

Then, each year, the Tribe gets a payment from the Department of Transportation, and it in turn, pays the Bond holder. The money comes from the Highway Trust fund. Our idea is patterned after the existing DOT program that allows states to use some of their regularly flowing highway dollar revenues from their annual allotment to pay for road bonds. This style of financing for roads is how *all* long term assets should be financed, especially roads.

The second topic I will cover today is the existing Indian Reservation Roads Program. It is a good program and I am glad that the BIA, after 7 years, finally has a package of regulations for the program. I am also glad that there are some modifications, including increased funding, that have been proposed legislatively. We support those modifications.

Under this program, our tribe has received about \$90,000 for road planning activities during the last three years. We have a good transportation survey and plans. We know what we need. Now is the time where we actually need money to implement the plan.

The current funding level does not address the needs of small tribes, particularly those in California. That is why we are proposing an innovative finance bonding program and that is why we support the modifications to the current IRR program. With additional funding, the following could be achieved:

Match state and local funds to construct projects; allow the tribes to apply for loans for transportation needs; use the funds as leverage to apply for other transportation grants (most small tribes do not have the revenue for the cash match usually required); allow tribes the capacity to participate in the State planning and programming process; promote the continuing, collaborative, and comprehensive planning adopted by other governing bodies in the nation.

The current IRR funding formula allocates 80% of the total IRR funds to 10% of the federally recognized tribes in the nation. Historically, small tribes, especially those in California, have been grossly underfunded. This has resulted in several inequities including the lack of inventories needed to add roads to the IRR system. Therefore, these

roads never receive the appropriate funding for safety, maintenance, or construction funds for increased capacity needs.

The capacity of the IRR roadways is estimated to be over 40,000,000,000 average daily trips traveled with the level of service ranging from A to E. At the current funding levels, it will take tribes in California 55 years to fund currently identified projects, which does not account for the any future growth.

California is one of the fastest growing states in the nation, with more than 34 million people, representing 12.5 percent of the entire United States population. The Tribal Governments in California must have adequate transportation funds to meet the challenges imposed by this growth.

Considering growth factors, and the number of air quality, non-attainment areas in California, transit and other intermodal planning is necessary for safe, reliable and flexible alternatives for its citizens. The present IRR program does not include or promote intermodal transportation.

California has the largest population of Native Americans in the nation (320,000+), and second to Alaska with the largest number of Tribal Governments (109).

California contributes 12% of the total revenue in the Federal Transportation budget. However, the tribes in California only receive approximately 2% of IRR funds; a total of \$5 million for construction projects, \$670,000 for maintenance, and \$150,000 for planning for all 109 tribes. Some tribes only receive as little as \$2 a year for planning, and must wait an average of 10 years for a construction project to be prioritized.

California and Tribal Governments within California lose an estimated \$20 million each year from the inequity of the current levels of funding.

I have the following recommendations regarding the existing IRR program:

At the very least, the BIA IRR formula should reflect a \$100,000 base funding per tribe right off the top as the first take down. The base funding is needed to meet the minimum planning for intermodal transportation. 1/

California Tribes should receive a minimum of 9.2% of the BIA IRR funds, which is the minimum guaranteed rate that California receives from the Federal Highway Trust Fund. The California Transportation Commission issued a report to the State Legislators in 2000 supporting this initiative. 2/

My point is that we have received planning money for the current program, but we have not received road money. We have needed to self-finance important road projects.

My third topic is to discuss our current transportation priorities.

As one of the few tribes in the United States who inhabit a largely urban area, our transportation needs are somewhat different than those of most tribes. We not only seek assistance for traditional road and bridge construction but also funding for improvements to the Coachella Valley's intermodal transportation system.

In conjunction with the City of Palm Springs, other local jurisdictions, the Coachella Valley Association of Governments, and the California Department of Transportation (CALTRANS), these governmental entities and the Agua Caliente have developed a list of transportation requests that not only benefit tribal members but also our neighbors within the Coachella Valley.

We are now seeking federal fund for three priority projects: 1) Road and bridge improvements to South Palm Canyon Drive and the Indian Canyons access road, 2) Replacement of the Indian Canyon/Interstate 10 interchange; and 3) Construction of the Mid-Valley Intermodal Transportation center.

South Palm Canyon Drive/ndian Canyons Access Improvement Project

South Palm Canyon Drive is the only road into the Indian Canyons Nature Preserve and Agua Caliente Cultural site. It also provides access to numerous residential developments, businesses, and the Agua Caliente Tribal Government Building.

South Palm Canyon will also serve as the only access road to the Agua Caliente Museum that is currently being constructed adjacent to the Agua Caliente Cultural site. When completed and open to the public, the museum is expected to attract 150,000 visitors per year. This will be in addition to the tribal members and thousands of local residents and tourists who already visit the Agua Caliente ancestral lands and the Indian Canyons area to view three of the world's largest natural stands of California palms, 3000 year old petroglyphs, grinding holes and other religious and cultural sites.

New development and dangerous driving conditions during seasonal flooding have made improvements to South Palm Canyon drive essential. In anticipation of the increased traffic associated with the construction of the museum, the Agua Caliente have already spent over \$2 million in enhancements to the lower sections of South Palm Canyon Drive.

The Tribe has requested \$7.2 million in federal funding to complete improvements to South Palm Canyon Drive. The funding will complete realignment and paving of the existing road, replace an inadequate bridge structure over the Arenas South drainage Channel, and construct an intermodal transportation center providing additional access to the Indian Canyons Cultural site and the Agua Caliente Museum.

I-10 and Indian Canyon Drive Interchange

Interstate 10 is a major east/west thoroughfare and is the critical surface connection of the Agua Caliente Indian lands to the nation and, in particular, the Los

Angeles metropolitan area. Agua Caliente tribal lands are accessed from I-10 by five interchanges of which Indian Canyon Drive is one of the most important. While four of the five interchanges are in desperate need of replacement, Indian Canyon is critical to both the needs of the Tribe and the City of Palm Springs.

Currently, 90,000 vehicles per day travel I-10 through the Indian Canyon Interchange, while some 19,000 vehicles per day travel this section of Indian Canyon Drive. By year 2020, these numbers are expected to reach 158,000 and 33,000 respectively. At peak times, back ups can run for miles in all directions on Indian Canyon Drive and I-10 and cost commuters hours that they could be spending with their family, working, or relaxing. The cost of the delays and traffic congestion to The Tribe and other residents of the valley is huge.

However, the Agua Caliente in partnership with the City of Palm Springs, has identified the Indian Avenue interchange as a top priority for the highway bill reauthorization. We have requested \$15.3 million to replace the existing 2-lane I-10/Indian Canyon Drive Interchange constructed in 1956 with a 6-lane interchange and accompanying access ramps and service roads.

Mid-Valley Intermodal Transportation Center

Enhancing existing roads and building new roads is only one part of the long-term solution to our traffic problem. We must also improve access to mass transit. Currently, very few people arrive in the Coachella Valley by rail. The only passenger rail service provided to the Palm Springs area is one daily, late-night stop by Amtrak.

The Agua Caliente and other governmental organizations in the Coachella valley have long desired a passenger rail service connection to Los Angeles. Recently, the Riverside County Transportation Commission and the Coachella Valley Association of Governments, which includes the Agua Caliente, requested the California Department of Transportation take the necessary steps to bring Southern California Regional Rail Authority service (METROLINK) from its current terminus in Riverside to the Coachella Valley.

To bring passenger rail to the Coachella Valley, we must have the infrastructure in place to support the service. In 2001 the Coachella Valley Association of Governments and the Tribe commissioned a Rail Station Feasibility Study and found that it will take three rail stations to properly service the valley -- Eastern Coachella Valley, Mid-Valley and Western Valley. California's long range Transportation Master Plan also calls for three rail stations in the Valley-West Palm Springs,, Mid-Valley, and East Indio.

Knowing that the highway bill reauthorization will emphasize enhancement of inter-modal centers, we have requested \$4.2 million to construct the Mid-Valley Intermodal Center. The funds will allow for construction of a terminal building, parking structure, a park and ride facility, 600 foot double track passenger platforms, and pedestrian under crossing for enhanced passenger safety and convenience.

The Agua Caliente are serious and excited about the opportunity for a Mid-Valley inter-modal station and have supported the Coachella Valley Association of Governments with the purchase of 11 acres of land, at a substantial cost, where the rail station and park and ride facility will be located.

To sum up, we are requesting the Committee's assistance with all three of the issues presented today. We appreciate the time and the attention of the committee to these important issues and we ask that you address these issues in the reauthorization of the highway bill. Thank you.

Notes:

1/ The National Congress of American Indians supported a minimum of \$35,000 per Tribe for planning, passed by resolution on November 15, in San Diego. However the current NCAI transportation white paper, and the bills that have been introduced, do not reflect this support. Instead, support is given to increase the planning dollars from 2% to 4%, California's share will be minimal, and fall short of the \$35,000 per Tribe. Example: If a tribe currently receives \$2 a year, now they will get \$4 a year.

2/ The Transportation Equity Act of the 21st Century (TEA-21) required the formation of a Negotiated Rule Making Committee; to evaluate the current distribution formula used by the Bureau of Indian Affairs, Indian Reservation Roads (BIA, IRR) Program, and was to negotiate a more equitable formula for all tribes. The NRMC included representatives from the federal government and tribal governments; two tribal representatives were from California. This process lasted approximately 2 years, with little change in funding for California Tribes. In addition, the BIA established policy to restrict the amount of additional roads that can be added to the IRR system- - thereby excluding these additional roads for the distribution of funds.