File
Tribal Leaders

THE WHITE HOUSE

WASHINGTON

April 25, 1994

MEMORANDUM TO PHIL LADER

FROM: ANN STOCK AS.

SUBJECT: TRIBAL LEADERS MEETING

FYI: M. Williams, R. Seidman

Per your request, attached is information regarding the planning of the Tribal Leaders' event which Sarah Ryan prepared this weekend following Friday's event meeting.

Sarah is meeting with Joann Chase of the NCAI and Loretta Avent this afternoon to clarify most of the remaining issues.

She will continue to provide you with updated materials. Please call me at ext. 62399 with any questions.

Thank you.

TRIBAL LEADERS MEETING
Friday, April 29, 1994

Draft: 4/23/94

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-- Cabinet Involvement

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TRIBAL MEETING CONTACTS
Draft: 4/23/94

Event Coordination	Ann Stock, Sarah Ryan Social Office 456-7908 fax: 66235
Guest List	Ann Stock, Helen Dickey Social Office 456-7136 fax: 66235
Tribal Leaders Issues	Carol Rasco Domestic Policy/WW 2nd Fl 456-2216 fax: 62878
	Donsia Strong Domestic Policy/OEOB 220 456-5572 fax: 67028
	Marcia Hale IGA/WW 2nd Fl 456-7060 fax: 66220
	Loretta Avent IGA/OEOB 106 456-2896 fax: 62889
Communications	Jake Siewart Comm./OEOB 173 456-2100 fax: 62380
	Laura Schwartz Media Affairs/OEOB 170 456-7150 fax: 66409
Speechwriting	Alan Stone OEOB 193 456-2777 fax: 62239
POTUS Scheduling	Ricki Seidman WW/Grd Fl 456-2823
First Lady Scheduling	Patti Solis OEOB 185.5 456-7560

VP Scheduling	Rod O' Connor OEOB 279 395-1755	 fax: 61606
Hotel Activities	Sharon Kennedy IGA/OEOB 110 456-6581	 fax: 62889
	Elizabeth Spencer IGA/OEOB 106 456-2896	 fax: 62889
Tour	Melinda Bates Visitor's Office EW/1st Fl 456-2322	
	Jeff Purdie USSS 395-4420	
Cabinet Affairs	Jennifer O'Connor OEOB 111 456-2572	
Legislative Affairs	TBD	
Public Liaison	TBD	

COMMUNICATIONS PLAN

Contact: Jake Siewart

South Lawn Event: Open Press
Hotel Activities: Closed Press

Media Affairs Contact: Laura Schwartz
Interview Coordinator w/Guests: Sharon Kennedy

To be provided by Jake on Monday

-- Press Briefing Schedule
-- Talking Points w/distribution list
-- Press Advisory distributed
-- Media plan
-- Media affairs interview plan

Overview

Jake will work with Donsia to develop briefing materials to distribute to WH Senior Staff, Cabinet Affairs, Legislative Affairs and Intergovernmental Relations.

Laura Schwartz and Sharon Kennedy will coordinate any post-event interviews. Sharon will contact all guests to be interviewed prior to their arrival at the White House with information on where the interviews will be conducted. Laura will coordinate the press side.

An interview pen behind the press risers will be roped off to conduct post-event interviews. Media affairs will post signs and staff the area. (Similar to Crime Event)

SOUTH LAWN AUDIENCE

Contacts: Ann Stock, Marcia Hale

NOTE: **GUEST LIST ADDITIONS PROCESS:**
1. Must be signed off by Marcia Hale
2. Hand delivered to Ann Stock

LIST CLOSES WEDNESDAY, APRIL 27

Guest list:

-- 545 Tribal Leaders (Loretta Avent)

-- Administrative Officials (Jennifer O'Connor, Donsia Strong)

-- Cabinet Members

-- WH Staff (limited)

** Congressional Members have not been invited

Guest list distribution:

Phil Lader
Marcia Hale
Carol Rasco
Loretta Avent
Donsia Strong

Next steps:

-- Administration list from Donsia no later than Monday at noon.
-- Social Office will contact those who haven't responded.
-- Memo from Phil Lader to WH staff re: closed event
-- Final review of guest list by distribution list.
-- WH staff list.

TOUR OF THE WHITE HOUSE FOR TRIBAL LEADERS
1:00 p.m. - 2:30 p.m.

Contacts: Melinda Bates, Visitor's Office
Jeff Purdie, USSS/Tour Officers
Rex Scouten, Curator's Office

1:00 p.m. Tribal Leaders arrive by busses at East Visitor's Gate to begin tour of the White House.

-- Busses coordinator: **
-- Security check location? hotel/WH -- confirm w/Purdie

Tour Format: Tour begins at the East Wing, to the State Floor beginning with the East Room, through the Parlor Rooms, to the State Dining Room, down the main staircase and exiting out the Diplomatic Reception Room onto the South Lawn.

Melinda Bates, Jeff Purdie and Rex Scouten will coordinate the tour with Joann Chase (NCAI). The Curator's Office has identified items relating to Native American history in the White House which will be discussed with NCAI.

Guests will receive a brochure about the White House as they enter.

1:30 p.m. Tribal Leaders begin to arrive on the South Lawn.

Tours will continue until all Tribal Leaders have participated. Other invited guests will not follow tour route, but will proceed directly to South Lawn through the First Ladies Garden.

SOUTH LAWN PROGRAM
Draft: 4/23/94

2:15 p.m. Program participants (TBD on 4/25) arrive in the Map Room for final briefing. (Escort: TBD)
Ann Stock to greet.

Invited guests begin to arrive East Visitor's Gate and proceed to South Lawn via First Ladies Garden.

2:30 p.m. (To Confirm) THE PRESIDENT receives briefing in Oval Office by TBD. (Logistical briefing to be provided by S. Ryan.)

White House Tour concludes. Program participants proceed to Diplomatic Reception Room to hold. (A. Stock)

Cabinet members arrive West Lobby and are escorted to "Cabinet Seating Area" on South Lawn. (Escorts: TBD from Cabinet Affairs)

2:55 p.m. THE PRESIDENT, THE VICE PRESIDENT and THE FIRST LADY arrive in the Diplomatic Reception Room to meet President gaiashkibos and Chief Wilma Mankiller.

3:00 p.m. Upon conclusion of the Blessing of the Grounds and once all guests are seated, President gaiashkibos and Chief Wilma Mankiller proceed on stage. (no announce)

THE PRESIDENT, THE VICE PRESIDENT and THE FIRST LADY are announced to Ruffles & Flourishes/Hail to the Chief and proceed on stage.

3:05 p.m. **PRESENTATION OF COLORS ****

3:15 p.m. **OPENING PRAYER BY TBD. ****

3:25 p.m. **HONOR SONG/CEREMONIAL DRUMS ****

3:35 p.m. **TENTATIVE SPEAKING ORDER -- TO DISCUSS**

THE FIRST LADY welcomes guests and introduces THE VICE PRESIDENT

3:38 p.m. THE VICE PRESIDENT makes brief remarks, mentions morning meeting and introduces President gaiashkibos and Chief Wilma Mankiller.

3:41 p.m. President gaiashkibos begins speaking program by announcing the speakers in order of presentation. (Note: President gaiashkibos serves as emcee between each presenter.)

3:43 p.m. **TRIBAL LEADERSHIP PRESENTATIONS ON ISSUES OF CONCERN:**

-- Speaking order and issues to be confirmed on 4/25.
-- Speakers have 3 minutes each. (D. Strong and L. Avent to work with speakers re: time)
-- Speakers are seated in front row.

4:10 p.m. **PRESIDENTIAL REMARKS**

TBD introduces THE PRESIDENT. THE PRESIDENT makes remarks.

4:30 p.m. **SIGNING OF PRESIDENTIAL DIRECTIVES**

Following remarks, THE PRESIDENT proceeds to table to sign two Directives. (Contacts: D. Strong, Staff Sec. Office)

Following signing, THE PRESIDENT returns to seat.

4:35 p.m. **PRESENTATION OF THE GIFTS ****

Chief Wilma Mankiller proceeds to podium to begin Presentation of Gifts. Chief Wilma Mankiller asks TBD (2) to come on stage to present gifts.

-- TBD presents gift to Mrs. Gore. The Vice President will accept on her behalf.
-- Chief Wilma Mankiller presents gift to THE FIRST LADY.
-- TBD presents gift to THE VICE PRESIDENT.
-- President gaiashkibos presents gift to THE PRESIDENT.

(Note: Presenters return to seats following presentations.)

4:50 p.m. **RETIRING OF THE COLORS ****

5:00 p.m. **CLOSING PRAYER BY TBD. ****

5:10 p.m. **CLOSING HONOR SONG/CEREMONIAL DRUMS ****

5:15 p.m. THE PRESIDENT, THE VICE PRESIDENT and THE FIRST LADY stand and exit stage rear to Diplomatic Reception Room.

President gaiashkibos and Chief Wilma Mankiller exit stage.

Guests exit. Tribal Leaders receive Thomas Jefferson coins as they exit.

*** **Indicates items to be discussed w/J. Chase on 4/25**

(S. Ryan to discuss w/J. Chase on Monday)

ARRIVAL Staff:

Busses: who's arranging/how many/contact
staggered?/pick up/drop off points/security check
-- Check in: ids, weapons/substances/gifts/packages

SEATING Staff:

Per recommendation by NCAI, the tribal leaders will be seated by the 12 areas.

- -- List of 12 regions
- -- Order of regions
- -- Special seating w/in regions?
- -- Process to identify regions/seating guests.
- -- Seating area for Cabinet
- -- Seating area for other guests
- -- Diagram

BLESSING OF THE GROUNDS Staff:

- -- Process
- -- Timing
- -- Limitations (Marine band play?)

OPENING PRAYER

- -- Who/Where seated/announce?

COLOR GUARD Staff:

- -- What/how many/who/names/arrival/practice/location/who brings the flags
- -- Composition of flags? American Flag
- -- Seated during program? Poles standing?

HONOR SONG/CEREMONIAL DRUMS Staff:

- -- What/how many/who/names
- -- Arrival/practice/set up point

PROGRAM PARTICIPANTS Staff:

- -- Who/arrival time/point
- -- Rehearsal/walk thru
- -- Height for podium
- -- D. Strong, L. Avent discuss timing

GIFT PRESENTATION Staff:

-- Who's bringing
-- Presenters/where seated/cue
-- What are they/size/location before presentation/after presentation
-- Table for after presented?

FLAGS Staff:

-- Arrival status
-- Contact person for setting up/coordinating
-- Returning

MISC ISSUES

-- Takeaway **Programs**/content signed off by Tuesday at 10am
- Pre-positioned on seats or give upon arrival to S. Lawn?
- Distributed by TBD.

Staff: Joyce Bonnett, WH Social Office

-- **Coins:**
- Delivered to Usher's Office on 4/27
- Distributed at exit by TBD.
- Quantity: 650/ Distribute to Tribal Leaders only?

Staff: Sharon Kennedy, IGA

-- **Rain Plan:** Tent decision made by Wednesday
(A. Stock, P. Lader, S. Ryan, M. Hale decision)

-- **Music:** Marine Band
- Presidential Honors upon announce
- Music played prior to program disruptive to blessing of the grounds?
- J. Chase to look at musical selection to ensure nothing is offensive

(SR)

-- **Stage:** Set up

(SR w/press office)

-- **Drinks:** Water, iced tea, lemonade
- SR to confirm w/J. Chase if beverage selection okay

(Usher's Office)

-- **Financial contact**
- A. Stock to discuss w/L. Avent, M. Hale

-- **Briefing paper:**
- who's writing?

-- **Diagrams:**
- Seating
- Stage
- Lawn
- Final: Wednesday
- Distribute at Thursday's rehearsal
- Enlarged for POTUS briefing

-- **Briefing POTUS, VPOTUS, FLOTUS prior to event:**

-- **Document signing:**
- Directives status: D. Strong, J. Podesta
- Pen distribution decision: discuss
- Signing table: original timber of WH

-- **No Ropelines/No Hand shakes:**
- Confirm w/POTUS, VPOTUS and FLOTUS

-- **Remarks**
- A. Stone, D. Strong, OMB, VPOTUS and FLOTUS speechwriting to work together to ensure flow of remarks.
- POTUS prep time

-- **Cabinet Prep:**
- Jennifer O'Connor to organize breakfast meeting w/Chiefs of Staff from each department and their designated staff person to prepare Cabinet Members.

MORNING BREAKFAST

7:30 a.m. - 9:15 a.m.
Woodley Sheraton

Contacts: Sharon Kennedy
Elizabeth Spencer
Rod O'Connor

-- Walkthru on Monday at 9:00 a.m. (S. Kennedy)
-- NCAI not involved.
-- Program to be provided on Monday by S. Kennedy
-- Cabinet sessions: Carol Rasco, Jennifer O'Connor and Donsia Strong to work together to prepare Cabinet Officials

Maggie.
FYI.
SR

Diane Keep this handy for Friday
MAGGIE

File Indians me on

SOUTH LAWN PROGRAM
Draft: 4/26/94

2:15 p.m.	THE PRESIDENT receives briefing in Oval Office. Briefing participants and format TBD.
2:20 p.m.	Tour concludes. All guests are seated. Program participants arrive in the Diplomatic Reception Room for final briefing. (Contact: TBD.)
2:30 p.m.	Cabinet members arrive West Lobby and are escorted to "Cabinet Seating Area" on South Lawn. (Escorts: Cabinet Affairs Staff TBD)
2:55 p.m.	THE PRESIDENT, THE VICE PRESIDENT, THE FIRST LADY and MRS. GORE arrive in the Diplomatic Reception Room to meet President gaiashkibos and Chief Wilma Mankiller.
3:00 p.m.	President gaiashkibos and Chief Wilma Mankiller are announced from Dip. Rm and proceed on stage. THE PRESIDENT, THE VICE PRESIDENT, THE FIRST LADY and MRS. GORE are announced to Ruffles & Flourishes/Hail to the Chief and proceed on stage. (All remain standing.)
3:05 p.m.	**PRESENTATION OF COLORS** -- Alex Mathews, Chairman, Pawnee Tribe (Pawnee, Oklahoma), will carry American Flag -- John Sunchild, Sr., Chairman, Chippewa-Cree (Box Elder, MO), will carry Eagle Staff The American Flag and the Eagle Staff walk side by side up the center aisle from the South with approx. 4 Color Guard walking behind them.

-- Chmn. Mathews and Chmn. Sunchild proceed on stage with Flags. The American Flag is positioned first, then the Eagle Staff. The four Color Guard remain standing in front of the stage.

HONOR SONG/CEREMONIAL DRUM
-- Wallace Coffeey, Chairman Comanche Tribe (Lawton, Oklahoma) proceeds to small stage with hand drum and performs.

Upon conclusion of song, Chmn. Coffeey returns to seat.

OPENING INVOCATION
-- Chmn. Sunchild, Sr. proceeds to podium on main stage and gives the opening invocation. (All remain standing.)

Following opening invocation, Chmn. Sunchild and Chmn. Mathews exit stage and proceed to seats. Four Color Guard proceed to seats.

3:25 p.m. Gaiashkibos, Chairman, Lac Courte Oreilles Chippewa (Hayward, Wisconsin) proceeds to podium and makes introductory remarks.

3:35 p.m. **PRESENTATIONS**

Gaiashkibos introduces Wilma Mankiller, Principal Chief, Cherokee Tribe of Okla (Tahlequah, Oklahoma).

Chief Mankiller introduces the first presenter. (Note: Chief Mankiller will emcee the presentations. Each presenter will speak from the small stage.)

3:59 p.m. Following the eighth presentation, Chief Mankiller makes closing remarks and introduces Mrs. Gore.

4:03 p.m. MRS. GORE makes brief remarks and introduces THE FIRST LADY.

4:06 p.m. THE FIRST LADY makes brief remarks and introduces THE VICE PRESIDENT.

4:09 p.m. THE VICE PRESIDENT makes brief remarks and introduces THE PRESIDENT.

4:14 p.m. THE PRESIDENT makes remarks.

4:35 p.m. **PRESIDENTIAL DIRECTIVES SIGNING**

Upon conclusion of remarks, THE PRESIDENT proceeds to table to sign two Directives. (Contact: Staff Sec.)

Following signing, THE PRESIDENT returns to seat.

4:40 p.m. **PRESENTATION OF THE GIFTS**

-- Peterson Zah, President, Navajo Nation (Window Rock, Arizona) proceeds to small stage to begin the gift presentations:

- Pearl Capoeman-Baller, Chair, Quinalt Tribe presents gift to MRS. GORE. (Chair Capoeman-Baller receives gift from Social Aide as she proceeds on stage.)
- Chief Wilma Mankiller presents gift to THE FIRST LADY. (Social Aide will hand gift to Chief Mankiller.)
- Gaiashkibos presents gift to THE VICE PRESIDENT. (Social Aide will hand gift to Gaiashkibos.)
- Richard Hayward, Chairman, Pequot Tribe (Ledyard, Conn.) presents gift to THE PRESIDENT. (Chmn. Hayward will proceed on stage after receiving gift from Social Aide.)

(Note: Peterson Zah will introduce each presenter prior to presentation. Presenters return to seats following presentations.)

4:55 p.m. **CLOSING INVOCATION**

-- Mary Thomas, Chairperson, Gila River (Sacaton, AR) proceeds to main stage to give closing invocation. Upon completion, she returns to seat.

5:10 p.m. **HONOR SONG**

-- Wilbur Between Lodges, President Oglala Sioux Tribe, (Pine Ridge, SD), proceeds to small stage to perform. Upon completion, he returns to seat.

5:15 p.m.

RETIRE COLORS/HONOR GUARD
Chmn. Mathews and Chmn. Sunchild return to main stage for Flags. Four Color Guard proceed to side of stage. Procession down center aisle to south with American Flag and Eagle staff side by side.

5:20 p.m.

THE PRESIDENT, THE VICE PRESIDENT, THE FIRST LADY and MRS. GORE stand and exit stage rear to Diplomatic Reception Room.

President gaiashkibos and Chief Wilma Mankiller exit stage and proceed to respected regions.

Guests exit. Tribal Leaders receive Thomas Jefferson coins as they exit.

Maggie

THE WHITE HOUSE

WASHINGTON

File Tribal leaders

TO:	THE PRESIDENT THE VICE PRESIDENT THE FIRST LADY MRS. GORE
DATE:	Friday, April 29, 1994
WHAT:	MEETING WITH TRIBAL LEADERS
LOCATION:	SOUTH LAWN TENT
TIME:	3:00 p.m. - 5:15 p.m.
# OF GUESTS:	Approx. 270 Tribal Leaders/Open Press
FROM:	Ann Stock, Sarah Ryan

===

12:30 p.m. The first group of Tribal Leaders arrive by bus at East Visitor's Gate for tour. White House Tour begins.

1:20 p.m. Tribal Leaders begin to arrive on South Lawn and proceed to beverage area.

2:15 p.m. THE PRESIDENT, the VICE PRESIDENT, the FIRST LADY and MRS. GORE receive briefing in Oval Office.

2:20 p.m. White House Tour concludes.

Program participants arrive in the Map Room final briefing. (A. Stock to greet.)

2:30 p.m. Cabinet members arrive West Lobby.

Announcement asking Tribal Leaders to proceed to seat. (Seating is by 12 Tribal Areas.)

2:45 p.m. Cabinet members are escorted to the South Lawn and are seated in specified area.

2:55 p.m.

THE PRESIDENT, THE VICE PRESIDENT, THE FIRST LADY and MRS. GORE arrive in the Diplomatic Reception Room to meet President gaiashkibos and Chief Wilma Mankiller.

3:00 p.m.

President gaiashkibos and Chief Wilma Mankiller are announced from Diplomatic Reception Room and proceed on stage.

THE PRESIDENT, THE VICE PRESIDENT, THE FIRST LADY and MRS. GORE are announced to Ruffles & Flourishes/Hail to the Chief and proceed on stage.

3:05 p.m.

OPENING CEREMONY (All remain standing)

Presentation of Colors
(Color Guard is lined up at SE corner)

-- Wallace Coffeey, Chairman Comanche Tribe (Lawton, Oklahoma) proceeds to small stage with hand drum and begins song.
-- Color Guard begins walk.
-- Alex Mathews, Chairman, Pawnee Tribe (Pawnee, Oklahoma), will carry American Flag
-- John Sunchild, Sr., Chairman, Chippewa-Cree (Box Elder, MO), will carry Eagle Staff

The American Flag and the Eagle Staff walk side by side up the center aisle from the South with five Color Guard walking behind them and proceed to sides of stage (off-stage).

Flag Song
-- Once Color Guard is in place, Chmn. Coffey sings.
-- Upon conclusion of song, Chmn. Coffeey returns to seat.

-- Chmn. Mathews and Chmn. Sunchild position Flags.

Opening Invocation
-- Chmn. Sunchild, Sr. and Alvin Windy Boy proceed to podium on main stage.
-- Chmn. Sunchild, Sr. gives the opening invocation in his language and then in English. Alvin Windy Boy stands to his side with Eagle Feathers.

4:15 p.m. Upon conclusion of the eighth presentation, THE PRESIDENT proceeds to the podium to make remarks. (No announcement.)

4:35 p.m. **SIGNING OF THE PRESIDENTIAL DIRECTIVES**

Upon conclusion of remarks, THE PRESIDENT proceeds to table to sign two Directives. (Contact: P. Richards) (Note: No pens are distributed.)

Following signing, THE PRESIDENT returns to seat.

4:40 p.m. **HAUSER PRESENTATION**

-- Chief Mankiller introduces Mr. Hauser.
-- Mr. Hauser proceeds on main stage to present the PRESIDENT with a replica of the Hauser Statue.

4:45 p.m. **PRESENTATION OF THE GIFTS**

-- Chief Mankiller introduces Peterson Zah, President, Navajo Nation (Window Rock, Arizona).
-- President Zah proceeds to small stage to emcee the gift presentations:

(Note: Social Aide will hand gift to presenter. Gifts presented one at a time. Presenters return to seats following presentation. No return remarks by principals. For protocol reasons, Principals hold gifts until departure.)

-- Pearl Capoeman-Baller, Chair, Quinalt Tribe presents gift to MRS. GORE.
-- Chief Mankiller presents gift to THE FIRST LADY.
-- gaiashkibos presents gift to THE VICE PRESIDENT.
-- Richard Hayward, Chairman, Pequot Tribe (Ledyard, Conn.) presents gift to THE PRESIDENT.

__4:55 p.m.__ **CLOSING CEREMONY (All Stand)**

-- Chief Mankiller announces Color Guard Post.
-- Color Guard returns to positions. (Same as Opening Ceremony)

Honor Song
-- Chief Mankiller introduces Wilbur Between Lodges, President Oglala Sioux Tribe, (Pine Ridge, SD).
-- Wilbur Between Lodges proceeds to small stage to sing song. Upon completion, he returns to seat.

Closing Invocation
-- Chief Mankiller introduces Mary Thomas, Chairperson, Gila River (Sacaton, AR).
-- Chairperson Thomas proceeds to main stage to give closing invocation. Upon completion, she returns to seat.

Retirement of the Colors
-- Chmn. Mathews and Chmn. Sunchild pick up Flags and begin procession down center aisle to south with American Flag and Eagle staff side by side.

__5:20 p.m.__ THE PRESIDENT, THE VICE PRESIDENT, THE FIRST LADY and MRS. GORE exit stage to Diplomatic Reception Room. **(FOR PROTOCOL REASONS, THERE IS NO HAND SHAKING/GREETING UPON DEPARTURE)**

President gaiashkibos and Chief Wilma Mankiller exit stage and proceed to respected regions.

Guests exit. Tribal Leaders receive Thomas Jefferson coins as they exit.

THE NAVAJO NATION

File Navajo

P. O. DRAWER 308 • WINDOW ROCK, ARIZONA 86515 • (602) 871-6352-55

PETERSON ZAH
PRESIDENT

MARSHALL PLUMMER
VICE PRESIDENT

May 5, 1993

Honorable Dan Rostenkowski
Chairman
Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, D.C. 20515

Re: **Indian Employment and Investment Tax Incentives**

Dear Mr. Chairman:

I have just reviewed a document entitled "Empowerment Zones and Enterprise Communities," prepared on May 4 by the staff of the Joint Committee on Taxation, which presumably summarizes the Clinton Administration's proposal in this area. I wanted you to know immediately how deeply disappointed I am in the Administration's efforts (or lack thereof) to take into account the unique circumstances -- and the serious plight -- of American Indians residing on hundreds of reservations across 32 states in this nation.

In "putting people first," the Administration should have looked first to Indian country. If they had done so, they would have seen exactly what I explained in my written testimony to your Committee on March 16, 1993:

> Stated simply, there is no single group of U.S. citizens that -- uniformly -- is more economically-deprived than American Indians living on reservations; there is no classifiable set of locations that -- uniformly -- is more deficient in infrastructure and job opportunities than Indian reservations.

Your colleague from the Senate, Daniel Inouye, has spoken eloquently and passionately about the nagging poverty that for generation-after-generation has sapped the strength and spirit of our people, and about **the "incomprehensible" unemployment rate on Indian reservations -- averaging 56% nationwide**. What will it take, I wonder, to convince "Washington" that a proposal calling for one Indian "empowerment zone" and five Indian enterprise communities is wholly inadequate -- and will not work, even for those Indian areas selected?

The proposal is inadequate because, as stated in my testimony, this "proposal could possibly help a very few tribes, but would dash the hopes of the many other reservations around the country which were not selected . . . and whose people would not benefit at all." Moreover, for large tribes, the proposal is counterproductive and politically untenable. The Navajo Nation -- one of the so-called "better off" tribes -- has unemployment ranging from 38% to 50%, depending on the season. Our reservation lands alone encompass 25,500 square miles, yet the Administration's proposal -- in completely unrealistic fashion -- provides that designated areas (even though non-contiguous) must not exceed 1000 square miles.

The proposal will not work, even for those tribes selected, because:

> [D]ue to the lack of infrastructure, "double taxation" by the states and related problems, **Indian reservations simply cannot compete with even the most economically-distressed inner cities and other non-Indian communities**. In other words, given the choice, new business would in almost all instances opt to locate in non-Indian areas to avoid the unique difficulties that are inherent in locating on reservations. Accordingly, Indian enterprise zones offering the identical incentives as non-Indian rural zones would remain unable to compete on anything close to a level playing field.

My letter of March 19 to your aide, Ms. Nilles, explains in great detail the necessity for a so-called "Indian differential," and why providing identical incentives to Indian and non-Indian areas simply maintains the existing unlevel playing field (thereby preventing Indian areas from competing effectively for the very economic development that the proposal is designed to encourage).

Mr. Chairman, through the years there have been all too many "solutions" to the problems in Indian country that have just not worked, and this counterproductive proposal is one of them. I respectfully request that the Ways and Means Committee do that which the Administration has failed to do -- provide for a tax incentives response that fits the problem, and that enjoys the support of the people it is designed to benefit.

That response -- the "Indian Employment and Investment" tax credits -- has already been endorsed by the Congress, which passed it last year as Sections 1131 and 1132 of the vetoed tax bill (H.R. 11). As you know, the Senate (responding to the types of Indian country concerns set forth above and in my testimony) had substituted these incentives in lieu of the then-pending Finance Committee proposal calling for ten Indian enterprise zones, and we greatly appreciated your accepting the Senate-passed provisions in Conference.

The Indian country tax incentives:

- will help <u>all</u> of Indian country -- not just portions of, at most, 6 reservations
- were developed <u>by</u> Indians, for Indian country, in consultation with private sector employers and with Members from both sides of the aisle
- enjoy the support of the National Congress of American Indians and tribes throughout the nation
- do not entail the establishment of yet another new governmental bureaucracy, such as the Administration's proposed "Enterprise Board"
- enjoy continuing, strong bipartisan support (<u>e.g.</u>, the attached March 10 letter from 12 Senators to Secretary Bentsen)
- are easy-to-understand, simple-to-administer, and have a relatively modest cost to the government.

Last year the Joint Tax Committee's revenue estimate was $181 million over a 5-year period; yesterday, it released a new revenue estimate -- for the identical provisions adopted in H.R. 11 -- of $209 million for 1994 - 1998. Frankly, both of these numbers are unrealistically high (given the disincentives posed by Indian country's massive infrastructure deficiencies), <u>but</u> both pale in comparison to the costs for the overall "empowerment zone program" and the $27+ billion cost of the Administration's two proposed nationwide investment tax credits. Indeed, the Indian country tax incentives would cost less than 0.8% of the Administration's two proposed ITCs. What will it take, I wonder, for Indian country to secure a program that bears some realistic relationship to the problem -- <u>56% nationwide Indian reservation unemployment</u>?

The "Indian Employment and Investment" provisions have a proven legislative track record. Mr. Chairman, I request that you pick up where the 102d Congress left off. Let Ways and Means -- and the House of Representatives -- take the lead in helping Indian country secure <u>meaningful</u> economic development incentives that can, should and must be adopted in 1993.

Sincerely,

THE NAVAJO NATION

Peterson Zah
President

NAVAJO NATION WASHINGTON OFFICE

PETERSON ZAH
PRESIDENT

MARSHALL PLUMMER
VICE-PRESIDENT

FAITH R. ROESSEL, ESQ.
EXECUTIVE DIRECTOR

1101 17TH STREET, N.W., SUITE 250
WASHINGTON, D.C. 20036
TELEPHONE (202) 775-0393
FACSIMILE (202) 775-8075

March 19, 1993

Kathleen Nilles, Esq.
Tax Counsel
Committee on Ways and Means
U.S. House of Representatives
1105 Longworth House Office Building
Washington, D.C. 20515

Re: Indian Employment and Investment Tax Credits

Dear Ms. Nilles:

It was good to speak with you following Tuesday's Ways and Means hearing. I wanted you to know how much we appreciate your interest in the "Indian Employment and Investment" tax credits that Congress passed last October in H.R. 11, and that the Navajo Nation and Indian tribes throughout the country continue to support strongly.

You asked our views on the Administration's proposals -- as we understand them -- for a 7% permanent small business investment tax credit and for extension of the targeted jobs tax credit (with expansion to cover certain apprenticeship programs). These are good proposals generally, but, for a variety of reasons, they are no substitute for the Indian country tax credits. In fact, we believe they would offer little help whatsoever to Indian country in the absence of the Indian country tax credits that we support.

To help explain, it is critical to focus at the outset on the reasons why it is essential that Indian country be singled out -- as it was in H.R. 11 -- for a separate program of tax incentives that differs from (and exceeds) incentives made available to promote new investment and jobs in non-Indian areas of the nation. As I testified on Tuesday, and as I have explained repeatedly in testimony/letters/meetings over the past two years in support of these tax credits, the absolutely unique problems endemic to investing in Indian country necessitate a program that distinguishes Indian country and that provides potential investors/employers a higher level of incentive (*i.e.*, the so-called "Indian differential") to help overcome those unique obstacles to economic development:

(a) **THE AVERAGE INDIAN RESERVATION UNEMPLOYMENT RATE IS 56% NATIONWIDE.** This "incomprehensible" statistic is underscored by the fact that the full investment tax credit is targeted to reservations **where Indian unemployment levels exceed the national average by at least 300%** -- and that most tribes would qualify.

(b) Infrastructure deficiencies in Indian country are likewise "incomprehensible." With a land area the size of the State of West Virginia, the Navajo Nation has only 2,000 miles of paved roads, while West Virginia has over 18,000 miles. It is not unusual for households at reservations across the country to lack telephone service, or electricity, or running water, or all of the above. Roads, telephones, electricity, water, etc. are taken for granted by investors/employers even in the most distressed inner cities of the United States, but their absence from large portions of Indian country poses a daunting barrier to tribal leaders' attempts to attract those same potential investors/employers.

(c) Infrastructure deficiencies, "double taxation" by the states and related problems lead to the same result nationwide -- Indian reservations in 32 states do not compete on a level playing field with even the most economically-distressed non-Indian areas.

(d) These circumstances lead to the following inescapable conclusions: (i) there is no single group of U.S. citizens that -- uniformly -- is more economically-deprived than American Indians living on reservations, and (ii) there is no classifiable set of locations that -- uniformly -- is more deficient in infrastructure and job opportunities than Indian reservations.

(e) Under these circumstances, it is unreasonable to expect that Indian country can benefit from tax incentives that are identical to incentives offered (or targeted) to non-Indian distressed areas as well. In other words, given the choice, potential investors/employers would in almost all instances opt to locate in non-Indian areas to avoid the unique difficulties that are inherent in locating on reservations. Rather than helping level the playing field, provision of identical incentives to Indian and non-Indian areas would simply preserve the pre-existing unlevel playing field, while changing only the overall level at which the competition for economic development occurs.

(f) It is for these reasons that Indian country requires a separate, reservation-based program. Fortunately, the trust responsibilities, treaty obligations and laws of the United States provide the basis for Congress to do so. Adopting a separate, reservation-based program for American Indians is consistent with the distinctive legal and political status of Indian tribes and their government-to-government relationship with the Federal government, and has been upheld by the Supreme Court. (Morton v. Mancari, 417 U.S. 535 (1974)).

Therefore, as a general matter, nationwide availability of a new small business investment tax credit and an extended/expanded targeted jobs tax credit can help other distressed areas, but will not provide the additional inducement necessary to attract new investors/employers to Indian country rather than to other areas that offer basic infrastructure requirements. Thus, by not recognizing and taking steps to address (i.e., by providing incentives that contain, or constitute, an "Indian differential") Indian country's unique problems, the subject proposals would result in Indian country once again being left behind, or left out altogether, from the very economic development opportunities that the proposed new incentives are designed to foster.

Specifically, we also note the following:

1. Small Business Investment Tax Credit: Obviously, Indian country would welcome small business investment. However, the potential benefit of this proposal -- standing alone -- is not encouraging. First, this incentive is most likely to be used by existing small businesses to expand existing facilities/services. Since small businesses are lacking in Indian country overall, there will be few opportunities for such expansion.

Second, this incentive could also appeal to entrepreneurs starting new businesses, but for the reasons explained above, this incentive is not likely to provide sufficient inducement (to overcome the lack of infrastructure, for example) to attract new small businesses to Indian country. At most, it might help a very limited number of Indian entrepreneurs having sufficient capital to start a small business.

Significantly, with 56% average unemployment, Indian country could benefit greatly from labor-intensive, larger-scale new business investment which is likely to involve new facilities of existing large enterprises. The Indian country tax credits, while available for small business, seek to attract labor-intensive, manufacturing operations as well.

Frankly, this would be a good incentive for Indian country if, as we would urge, it is available to small businesses in addition to the Indian country tax credits (thereby offering an additional incentive to help overcome investors/employers reluctance to locate new economic development in Indian country).

2. Targeted Jobs Tax Credit: The Targeted Jobs Credit is intended to even the competition for job openings by subsidizing a portion of the first year wages of new employees who are members of certain specified groups (such as economically disadvantaged youths) which have traditionally had difficulty making an initial entry into the labor force. Underlying the Targeted Jobs Credit is the assumption that subsidizing a portion of the first year wages will compensate the employer for the higher costs incurred until the targeted employee can achieve a level of productivity comparable to that of new employees who are not members of targeted groups. By thus compensating the employer, the tax code enables a member of a targeted group to compete more evenly with other prospective employees for a position.

Unlike the Targeted Jobs Credit which attempts to affect employment decisions in existing business enterprises, the Indian Employment Credit is an attempt to alleviate the long term unemployment among Indian peoples by offsetting some of the economic disincentives to locating a new business enterprise in Indian country. This is accomplished by providing a partial subsidy for the first seven years that an Indian is employed by the enterprise. By reducing the employer's effective wage costs, the Indian Employment Credit partially offsets the higher non-wage costs of operating in Indian territory -- such as higher costs resulting from infrastructure deficiencies -- in a manner attractive to labor intensive industry.

If you have any questions, or if we can provide further information, please do not hesitate to contact Faith Roessel at the Navajo Nation Washington Office (202/775-0393).

Thank you for your interest in these urgently-needed Indian country tax credits.

Sincerely,

THE NAVAJO NATION

Peterson Zah
President

United States Senate
WASHINGTON, D.C. 20510

March 10, 1993

The Honorable Lloyd Bentsen
Secretary
Department of the Treasury
1500 Pennsylvania Avenue N.W.
Washington, D.C. 20220

Dear Mr. Secretary:

It is our understanding that the Administration is continuing to formulate its proposal for enterprise zones. Toward that end, we, as co-sponsors of S. 211, the "Indian Employment and Investment Act of 1993," urge that the Administration include in its final proposal the Indian country employment and investment tax credits contained in that bill. As you know, with your help, those identical provisions were included in last year's tax bill (H.R. 11) that President Bush vetoed.

Indian reservations in 32 states throughout the nation are characterized by staggering unemployment (which, according to Chairman Inouye of the Committee on Indian Affairs, averages <u>56%</u> nationwide), nagging poverty and huge infrastructure deficiencies. These and related problems unique to Indian country continue to undercut the hard work by tribal leaders in our states, and other states, aimed at encouraging economic development on Indian reservations.

Providing only for a limited number of Indian enterprise zones would help a few tribes, but would leave unaddressed the economic deprivation that defines life on all of the other reservations not chosen as zones. On the other hand, the Indian reservation employment and investment tax credits, which were adopted last year in lieu of the ten Indian zones previously set aside in the Senate bill, offer a nationwide response to a nationwide problem. They could potentially benefit all of Indian country by providing an innovative, private-sector oriented approach to attract new investment and jobs to some of this nation's most destitute areas.

Indian tribes strongly supported these comparatively modest provisions (which the Joint Committee on Taxation estimated would cost $181 million over a 5-year period) of this long-sought legislation. We urge that you consider including these provisions in the final tax package the Administration forwards to the Congress.

With best regards.

Sincerely,

Max Baucus

Dennis DeConcini

Jeff Bingaman

Pete Domenici

Frank H. Murkowski

NAVAJO NATION WASHINGTON OFFICE

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Committee on Ways and Means
United States House of Representatives

Hearings on President Clinton's Proposals for
Public Investment and Deficit Reduction

TESTIMONY OF PETERSON ZAH,
PRESIDENT OF THE NAVAJO NATION,
ON
INDIAN EMPLOYMENT AND INVESTMENT TAX CREDITS
TO ADDRESS INDIAN COUNTRY UNEMPLOYMENT
AND INFRASTRUCTURE DEFICIENCIES

My name is Peterson Zah. I am the elected President of the Navajo Nation, the country's largest Indian tribe. Spanning the states of Arizona, New Mexico and Utah, the Navajo Nation has a total land area equivalent in size to the State of West Virginia, and encompasses almost one-third of all American Indian lands in the Lower-48 states.

I thank you, Mr. Chairman, and Members of the Committee, for this opportunity to testify at these important hearings. I speak today in strong support of the "Indian Employment and Investment" tax credits that the 102d Congress enacted last October as Sections 1131 and 1132 of H.R. 11, the "Revenue Act of 1992." But for President Bush's veto of that legislation on the day following the general election, those Indian country employment and investment tax credits could, as we speak, be helping tribal leaders in 32 states address what I described last year as "the deplorable conditions existing in Indian country -- conditions which truly are a national disgrace."

The Indian country tax credits which Congress passed in H.R. 11 have now been re-introduced in the House and the Senate as H.R. 1325 and S. 211, respectively. Accordingly, the purposes of my testimony today are threefold. First, to make you aware of Indian country conditions that cry out for the type of innovative, private sector-oriented economic development tools that these tax credits represent. Second, to explain why these Indian country tax credits are far superior to enterprise zones -- one of the Administration's proposals for this year -- because they can potentially benefit <u>all</u> of Indian country rather than the very few reservations that might be selected for zones. Finally, I will attempt today, with all the persuasive powers at my disposal, to convince you of the urgent need for, and the singular importance of, adoption of these Indian country tax credits in your 1993 tax legislation.

<u>CONDITIONS IN INDIAN COUNTRY</u>

<u>Indian Unemployment and Poverty</u> -- **<u>56%</u>**. For American Indians, <u>56%</u> is a tragic number, because it constitutes <u>the average Indian unemployment rate</u> on reservations throughout the United States. As Chairman Daniel K. Inouye of the Senate Select Committee on Indian Affairs reported during that Committee's 1989 hearings on Indian economic development:

> **The unemployment rate on the majority of Indian reservations is simply incomprehensible** to the average American. During the height of the so-called Great Depression in the 1930's, unemployment averaged 25 to 30%. **In 1989 the average rate in Indian country is 52%!**

In 1993, that rate is 56%.

The conditions of poverty that persist throughout Indian country are unspeakable. Despite our reputation as one of the tribes which is "better off," 56% -- coincidentally -- of Navajo people live below the poverty level. It is not unusual for households at reservations across the country to lack telephone service, or electricity, or running water, or all of the above. The result is that here, within the borders of the United States of America, most reservations have living conditions which are far worse than exist in many of the Third World countries to which the federal government provides substantial foreign aid.

Stated simply, there is no single group of U.S. citizens that -- uniformly -- is more economically-deprived than American Indians living on reservations; there is no classifiable set of locations that -- uniformly -- is more deficient in infrastructure and job opportunities than Indian reservations.

Disincentives to Private Sector Investment in Indian Country -- If the Members of the Committee could travel reservation-by-reservation -- across 32 states -- you would well understand the economic deprivation that tribal leaders and Indian people confront each and every day. We work very hard to attract new private sector jobs and investment to our reservations. The Navajo Nation, for example, offers the advantages of a large workforce, rich natural resources, an ideal location, and a well-trained, sophisticated three-branch government. However, tribal leaders' efforts are continuously undercut by a variety of obstacles -- endemic to investing on reservations -- that have prevented Indian country economies from securing their fair share of the business and jobs in this country.

First and foremost are massive infrastructure deficiencies. For example, the Navajo reservation has 2,000 miles of paved roads, while West Virginia is the same size and has 18,000 miles. Many of the dirt roads on which our people heavily depend are simply impassible when the weather is bad. As noted above, even something so basic as telephone service is lacking in Indian country; over half of all reservation Indian households lack basic telephone service.

Another significant disincentive to economic development -- which I hope the Committee will address in the future -- is the growing problem of "double taxation," wherein states increasingly are assessing taxes on non-Indian business activities permitted by, and occurring wholly on, Indian lands. As I explained in July of 1991 to this Committee's Subcommittee on Select Revenue Measures:

> This double taxation interferes with our ability to encourage economic activity and to develop effective revenue generating tax programs.
>
> * * *
>
> We find it especially hard to attract business to the reservation unless we make concessions that nearly defeat the purpose of wanting to attract business to the reservation in the first place.

These infrastructure deficiencies, double taxation and related problems lead to the same result nationwide -- Indians do not compete on a level playing field with even the most economically distressed non-Indian areas. As a result, Indian country is typically left behind, or left out altogether, from economic development opportunities. To help level that playing field, and to provide tribal governments and Indian country business planners with additional tools to compete, the Navajo Nation believes that new approaches -- tied to the tax code, and geared to the private sector -- must be tried.

INDIAN EMPLOYMENT AND INVESTMENT TAX CREDITS

I will not review in detail the specifics of the "Indian Employment and Investment" tax credits. They were adopted by the Congress less than six months ago. The legislative language is set forth at pages 45 - 53 of the "Conference Report to Accompany H.R. 11" (H.R. Report No. 102 - 1034, issued October 5, 1992); the Conference Committee's detailed explanation of those Indian country tax credits can be found at pages 715 - 718 and 721 - 725 of the Report.

In summary, the **Employment Credit** provides for a 10% credit to the employer based on the qualified wages and qualified health insurance costs paid to an Indian. As an added incentive, a significantly higher employment credit of 30% is offered to reservation employers having an Indian workforce of at least 85%. The credit, which is limited to "new hires" and to those employees who do not receive wages in excess of $30,000, focuses on job creation and would be allowed only for the first seven years of an Indian's employment.

The **Investment Tax Credit** is geared specifically to **reservations where Indian unemployment levels exceed the national average by at least 300%**. The legislation provided 10% for personal property, 15% for new construction property and 15% for infrastructure investment on or near reservations. (If a nationwide investment tax credit and/or employment credit were to be adopted in 1993, the Indian reservation tax credit percentages would likely need to be adjusted upward to maintain the so-called "Indian differential," which is absolutely essential in order to help mitigate the unique problems -- particularly the lack of infrastructure -- that act as disincentives to Indian country investment.) One-half of the specified credit percentages would be available for qualifying investments on reservations where unemployment exceeds 150% but does not exceed 300% of the national average.

In response to concerns raised by several Members during Senate consideration of these measures in 1992, "anti-gaming" restrictions were incorporated in H.R. 11. These prevent both the investment and employment credits from being used with respect to the development and/or operation of gaming establishments on Indian reservations.

Most importantly, these incentives would potentially benefit all of Indian country. This is the critical difference between these Indian country tax credits and alternative approaches that would provide only for a limited number of Indian enterprise zones.

Now, I am not opposed to the concept of enterprise zones; in fact, I testified in favor of such zones several years ago. However, that approach is woefully inadequate for Indian country. **A limited Indian enterprise zone proposal could possibly help a very few tribes, but would dash the hopes of the many other reservations around the country which were not selected as zones, and whose people would not benefit at all.** Thus, for all of those reservations not selected, an Indian enterprise zone approach would leave unabated the pervasive poverty and high unemployment that have perpetually defined life on those reservations.

Moreover, even those reservations that might be selected as zones under a limited Indian enterprise zone approach would be unlikely to benefit. As previously noted, due to the lack of infrastructure, "double taxation" by the states and related problems, **Indian reservations simply cannot compete with even the most economically-distressed inner cities and other non-Indian communities.** In other words, given the choice, new business would in almost all instances opt to locate in non-Indian areas to avoid the unique difficulties that are inherent in locating on reservations. Accordingly, Indian enterprise zones offering the identical incentives as non-Indian rural zones would remain unable to compete on anything close to a level playing field.

It is this set of unique Indian country circumstances -- highlighted by the unconscionable 56% average Indian unemployment rate -- that can and do justify a separate program for American Indians, such as that included in H.R. 11 (i.e., adopting the Indian country tax credits in lieu of then-pending proposals to establish a limited number of Indian enterprise zones). Adopting a separate, reservation-based program for American Indians is consistent with the distinctive legal and political status of Indian tribes and their government-to-government relationship with the Federal government, and has been upheld by the Supreme Court (Morton v. Mancari, 417 U.S. 535 (1974)).

INDIAN COUNTRY TAX CREDITS ARE URGENTLY NEEDED

For almost a decade, Chairman Daniel Inouye, Co-Chairman John McCain and other Members of the Senate's Select Committee on Indian Affairs had sought to amend the tax code to provide incentives for new private sector investment in Indian country. However, little progress was made during that period. As Chairman Inouye noted last year, in comments applauding Congressional adoption of these tax credits in H.R. 11, "it has been a difficult, and I must admit, an often lonely battle to compete with numerous other interests seeking changes to the tax code before the Finance Committee" and, I might add, the Ways and Means Committee.

In 1992, I designated federal tax incentives as one of my Administration's highest legislative priorities. Drawing from bills previously introduced by Chairman Inouye, Co-Chairman McCain and other Senate Select Committee Members, the Navajo Nation developed the initial legislative language for these employment and investment tax credit proposals. Thereafter, under the bipartisan leadership of Chairman Inouye, Co-Chairman McCain and Senator Domenici of the Select Committee, with the interest and attention of Senators Baucus and Boren of the Finance Committee, and ultimately with the support of then-Chairman Bentsen and Ranking Member Packwood of the Finance Committee, the Senate adopted the Indian country tax credits in lieu of the then-pending Finance Committee bill that would have created enterprise zones on just ten reservations.

In so doing, the Senate wisely opted for a legislative response that fit the problem, recognizing that the nationwide Indian unemployment problem warranted a nationwide program to address it. Subsequently, the Senate-passed provisions were accepted by the House in Conference, and enacted in the vetoed H.R. 11.

Indian Country Tax Credits Are Consistent With Clinton Administration Goals -- Having come so far in 1992, Indian country felt reasonably confident that the new Administration would take the lead in promoting these measures to help address the staggering Indian unemployment levels and the massive reservation infrastructure deficiencies that exist -- uniformly -- in Indian country. When I participated in President Clinton's pre-Inauguration "Economic Summit" in Little Rock, I reviewed the urgent need for Indian economic development; explained that new investment and jobs in Indian country would also spill over to provide economic benefits to adjoining non-Indian communities; and stressed that American Indians are not looking for hand-outs, but only a helping hand. Frankly, the Administration's failure to date to include these Indian country tax credits in its proposals -- and to focus, instead, on a limited number of Indian enterprise zones (reportedly five) -- has been a disappointment.

In "putting people first," the federal government could well benefit from giving priority attention in this year's tax bill to those citizens whom our nation historically has neglected until last -- American Indians. These Indian country tax credits offer hope throughout all of Indian country that new private sector investment, jobs, and infrastructure development may at last become a reality in some of the most destitute areas of the United States. As a result, the Indian reservation investment and employment tax credits enjoy the support of Indian tribes across the nation and, in fact, can help to attract economic development to reservations in:

Alabama	Maine	North Dakota
Alaska	Massachusetts	Oklahoma
Arizona	Michigan	Oregon
California	Minnesota	Rhode Island
Colorado	Mississippi	South Dakota
Connecticut	Montana	Texas
Florida	Nebraska	Utah
Idaho	Nevada	Washington
Iowa	New Mexico	Wisconsin
Kansas	New York	Wyoming
Louisiana	North Carolina	

Mr. Chairman, these Indian country tax credits respond to a demonstrated need requiring urgent action. They offer an easy-to-understand, simple-to-administer, private sector-oriented approach to Indian economic development without creating a new layer of governmental bureaucracy. They only cost the federal government if they work; even then, estimated costs are comparatively modest ($181 million over a five-year period according to Joint Tax Committee estimates last year).

Significantly, the Indian employment and investment tax credits have a proven legislative track record and continuing bipartisan support in the Congress.

CONCLUSION

American Indians cannot continue -- for yet another generation -- to compel our young people to leave their homes and their families because meaningful employment opportunities are lacking in Indian country. Today, these "Indian Employment and Investment" tax credits remain as urgently needed as ever before.

In January, Chairman Inouye and Co-Chairman McCain re-introduced, as S. 211, the identical Indian country tax credits that Congress adopted in H.R. 11. Just last week, Chairman Bill Richardson of the Subcommittee on Native American Affairs of the Natural Resources Committee introduced, as H.R. 1325, a companion bill in the House. On March 10, twelve Members of the Senate -- from both parties -- wrote to Secretary Bentsen to urge that the Administration include these provisions in its final tax package to be submitted to the Congress.

Mr. Chairman and Members of the Committee, the stage is set. This Committee can, in 1993, exercise the leadership to help Indian country achieve this long-sought legislative goal that, after years of frustration, we came so close to realizing in 1992.

In closing, I would simply like to quote from the written statement that I submitted to the Committee a little over a year ago in support of these incentives:

> Helping American Indians to help themselves is neither a Democratic issue nor a Republican issue; it's not a conservative policy or a liberal policy; it's not even a "special interest" issue. Rather, it is a "human" issue that must, and deserves to be, addressed from a **national perspective on a bipartisan basis**, and with a real sense of urgency warranted by the deplorable conditions existing in Indian country -- conditions which truly are a national disgrace.

I sincerely appreciate this opportunity to testify, and I respectfully urge that the Committee include in the tax legislation that it will report in 1993 the modest -- but extremely important -- Indian country tax credits that the Congress in fact adopted just six months ago.

March 16, 1993

* * *

~~CONFIDENTIAL~~/FOIA EXEMPT
FOR INTERNAL FEDERAL AGENCY DISCUSSION ONLY

DRAFT ORDER

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
INITIALS: RY DATE: 10/29/13

PROVIDING PROTECTIONS FOR THE RELIGIOUS PRACTICES OF INDIAN TRIBES

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the National Historic Preservation Act, 16 U.S.C. 470, and in furtherance of federal treaties, and the policy proclaimed in the American Indian Religious Freedom Act, 42 U.S.C. 1996, it is hereby ordered that to the greatest extent practicable and permitted by law, in order to accomodate Indian religious practices, each federal land management agency shall undertake the following responsibilities prior to agency action that may disturb the integrity of, use of, or access to sites on federal lands that are sacred to Indian religious practices:

Section 1.

(a) Avoid adversely affecting sites on federal lands that are sacred to Indian religions.

(b) Manage federal lands, in a manner that accommodates access to, and ceremonial use of, sites that are sacred to Indian practitioners of Indian religions. This accommodation shall be reflected in, among other things, management plans, regulations, policies, procedures, practices, and guidances with regard to access to and use of federal lands. Land management agencies may take reasonable and narrowly tailored measures to assure that access and use of lands do not (i) have direct impacts on national security interests; (ii) have direct negative effects on the implementation of the Endangered Species Act; (iii) present immediate threats of serious physical harm to any person; or (iv) cause serious harm to the environment. This subsection does not authorize the use of motorized vehicles or other forms of mechanized transport in roadless areas.

(c) Provide reasonable notice to potentially affected Indian tribes and those religious leaders of such tribes of whom the agency is aware before undertaking an agency action that may disturb the integrity of, use of, or access to a site on federal land that is known to the federal government to be sacred to Indian religions, and consult with the potentially affected tribes and appropriate religious leaders of such tribes concerning possible alternatives prior to making any final decision.

(d) Remove unnecessary regulatory obstacles that limit access to sacred sites by Indian practitioners of Indian religions.

(e) Provide exemptions from limitations on the gathering of plants or animals found on federal lands in order to protect ceremonial use of these resources by Indian practitioners of Indian religions.

Sec. 2. To the extent permitted by law, each federal land management agency shall undertake the following responsibilities:

(a) Revise regulations, policies, procedures, practices, and guidances as necessary to implement this order and to provide for consideration of the protection of sites on federal lands that are sacred to Indian religions and ceremonies related to such sites prior to undertaking an agency action that may disturb the integrity of, use of, or access to such sites.

(b) Establish a process for referring to the head of the agency for resolution any disputes between the land management agency and Indian tribes or appropriate religious leaders of such tribes regarding compliance with this order.

(c) Upon the request of potentially affected Indian tribes or appropriate religious leaders of such tribes, negotiate with these tribes or appropriate religious leaders of such tribes to enter into a Sacred Lands Protection Agreement for the purpose of protecting religious sacred sites on federal lands and access to such sites.

(d) Submit annual reports to the President, through the Secretary of the Interior, on the agency's progress in implementing this order.

(e) Within three years of the date of this order, submit to the President, through the Secretary of the Interior, a report containing: (i) an evaluation of the agency's implementation of this order, including any legal or other barriers encountered by the agency in protecting the integrity of, use of, and access to sites on federal lands that are sacred to Indian religions; and (ii) recommendations regarding changes in this order or existing legislation that are necessary to protect the integrity of, use of, and access to such sites. In preparing this report, the land management agencies shall consult with potentially affected tribes.

Sec. 3. To the extent permitted by law, whenever any federal agency conveys to a state or local government an interest in federal land that is known by the federal government to either contain a site that is sacred to Indian religions or to be important for access to such a site, the agency shall reserve federal authority over land and resource use to protect the sites or access to the sites or require state or local accommodation of such practices and management of such areas in a manner consistent with this order.

Sec. 4. To the extent permitted by law, when disputes arise under this order between an agency and Indian tribes or appropriate religious leaders of such tribes about a proposed agency action that may disturb the integrity of, use of, or access to particular sites on federal lands that are sacred to Indian religions, the potentially affected Indian tribes or appropriate religious leaders shall be given an opportunity to utilize the dispute resolution procedures in section 2 and this section prior to agency action.

(a) Following utilization of internal agency procedures established pursuant to section 2 of this order or unsuccessful attempts to invoke those procedures, tribes or appropriate religious leaders of such tribes may seek the assistance of the Federal Mediation and Conciliation Service "FMCS" to resolve the dispute. The FMCS will attempt to mediate the dispute.

(b) If the parties to the mediation are unable to reach agreement within 120 days of the referral to FMCS, FMCS shall appoint a fact-finder. Based on FMCS's fact-finding, the Director of FMCS shall send a report to the head of the affected agency and the parties to the mediation. The report shall include the facts concerning the dispute and the Director's recommendation for resolution of the dispute. The agency head shall issue a final decision, including a determination as to whether to adopt FMCS's recommendation, and shall inform the parties to the mediation of the basis for the decision.

(c) Third parties who would be adversely affected or aggrieved by agency action shall be given an opportunity to comment or otherwise participate prior to a final agency decision or a final FMCS recommendation. The format of such participation (other than the opportunity to comment) shall be subject to agreement by the agency and the parties that sought the assistance of the FMCS.

Sec. 5. Issues of what is an Indian religion, who is a religious leader of an Indian religion, and who has standing to represent potentially affected tribes in consultations and dispute resolution procedures with an agency, are to be resolved by Indian tribal governments.

Sec. 6. To the extent permitted by law, agencies and the FMCS shall seek to protect from public disclosure specific information pertaining either to religious practices or the location of sacred sites when such facts have been identified by Indian tribes or appropriate religious leaders of such tribes as confidential.

Sec. 7. Nothing in this order limits federal agency discretion to pursue other options for addressing tribal concerns regarding preservation and access to sacred sites, such as granting the appropriate Indian tribe jurisdiction over or management of such a site. Nor does this order limit the duty of the federal government to consult with Indian tribes before taking action that will affect those tribes.

Sec. 8. Nothing in this order shall be construed to require a taking of vested property interests.

Sec. 9. This order is intended only to improve the internal management of the executive branch and is not intended to, nor does it, create any right or benefit, substantive or procedural, enforceable at law or equity by any party against the United States, its agencies, officers, or any person.

Sec. 10. Definitions. As used herein:

(a) "Agency action" has the same meaning as in the Administrative Procedure Act, 5 U.S.C. 551(13).

(b) "Appropriate religious leader" means an Indian practitioner of an Indian religion who is either designated by a tribe to speak to the concerns of an Indian religion or, in the case that the tribe does not or cannot speak to religious issues, an Indian practitioner who claims to speak to the concerns of such a religion and whom the tribe, following consultation between the tribe and the land management agency, takes no action to designate or disavow.

(c) "Federal lands" means any land, interests in land (including mineral interests and submerged lands) owned by the United States without regard to how the United States acquired ownership of the land or interest and without regard to the federal land management agency having responsibility for management thereof, except Indian trust or restricted lands, recognizing that Indian tribes and Indian individuals have authority over such Indian trust or restricted lands.

(d) "Federal land management agency" means any agency, as defined by 5 U.S.C. 551, that has statutory or administrative responsibility for the management of federal lands.

(e) "Indian tribe" means an Indian or Alaska Native tribe, band, nation, pueblo, village, or community that the Secretary of the Interior acknowledges to exist as an Indian tribe pursuant to Pub. L. No. 103-454, 108 Stat. 4791, and "Indian" refers to a member of such an Indian tribe.

(f) "Adversely affected or aggrieved by agency action" has the same meaning as in the Administrative Procedure Act, 5 U.S.C. 702.

(g) "Sacred site" means any specific, discrete geographical or geophysical area or feature that is sacred to Indian practitioners by virtue of its religious significance to or ceremonial use by an Indian religion.

(h) The definitions used in this order shall not be construed to limit the scope of these or similar terms as used in other statutes, regulations, policies, procedures, practices, or guidances.