

8/9/00

Timing - talk to Lynn in the next month.

Info to POTUS w/ K. M. M.

MEMORANDUM FOR MARIA ECHAVESTE

FROM: MARY SMITH

SUBJECT: Consultation and Coordination with Indian Tribal Governments

We are about to ask the President to issue a revised Executive Order to establish regular and meaningful consultation and collaboration with tribal officials in the development of Federal policies that have tribal implications. This Order expands upon the provisions in E.O. 13084, "Consultation and Coordination with Indian Tribal Governments" (May 14, 1998), to make it equivalent in scope and procedure to E.O. 13132, "Federalism" (August 4, 1999). An issue remains: whether, how, and in what way to instruct agencies to coordinate with Alaska Native corporations established under the Alaska Native Claims Settlement Act (ANCSA corporations).

Status

After the President signed the Federalism Order, we drafted a counterpart for Indian tribal governments. The Federalism Order is based upon the federal relationship between the national government and State governments; the new tribal consultation order is based upon the parallel government-to-government relationship between the United States government and Indian tribal governments.

After OMB had circulated a January 24 draft order to Federal agencies for final clearance, we decided -- as we had with the Federalism Order -- to circulate the same draft to Indian tribes and tribal organizations to seek their comments. We have received their comments, incorporated a number of their suggestions, transmitted the resultant draft to agencies for their final review, and adopted some of their suggestions as well. But for one issue, we are ready formally to submit the draft tribal consultation order for signature.

This issue concerns the ANCSA corporations. On February 24, we received a letter from an ANCSA corporation urging that the ANCSA corporations be included into the definition of "Indian tribe" as used in the draft tribal consultation order to establish "a federal government obligation to consult with them concerning regulations, proposed acts of Congress and other federal actions that may directly affect their future." On April 20, we received a letter from the Alaska Inter-Tribal Council, urging us not to include ANCSA corporations within the scope of the tribal consultation order: "Such inclusion would cast serious doubt on the meaning of 'government to government relationship' and would undermine the existing sovereign status of federal recognized tribes both inside and outside Alaska."

Background

ANCSA Corporations. In the 1960s, Alaskan Natives protested that their aboriginal title to lands had never been extinguished and that land could not be conveyed to the State of Alaska, private individuals, or oil companies until these claims were resolved. In response, Congress enacted ANCSA in December 1971. In consideration for the extinguishment of Native aboriginal

claims, ANCSA provided a cash settlement of nearly \$1 billion and authorized the conveyance of over 40 million acres of land to 12 Alaska Native regional corporations and over 200 village corporations. Today these Alaska Native regional corporations manage the surface and subsurface activities of approximately 44 million acres of land in Alaska. Nearly 95 percent of Alaska's Native population has a share in a Native corporation. The corporations use timber and mineral revenue generated by land to engage in an increasingly diverse array of economic development activities for their shareholders. In some cases, the ANCSA corporations serve as intermediaries passing Federal benefits through to native villagers. *Not members of tribe.*

The ANCSA corporations enjoy the support of Alaska's Congressional delegation. Over the years, ANCSA corporations (or their shareholders) have been included within the statutory definition of "Indian tribes" for a number of specific purposes – government procurement eligibility, community development banking, national parks, land conservation, education of individuals with disabilities, financing of Indian economic development, agricultural resource management, vocational rehabilitation, and veterans benefits. On July 6, Chairman Stevens asked us to give "careful consideration" to including ANCSA corporations within the tribal consultation order's definition of "Indian tribe."

The 12 Regional Corporations formed under ANCSA were established as profit-making entities; as such, they are responsible to the shareholders to maximize profits and do not provide social programs. As the Alaska Inter-Tribal Council described them: "The ANCSA for-profit corporations are incorporated under state law (unlike the many tribes in Alaska that are organized under the Indian Reorganization Act); ANCSA for-profit corporations do not possess the general privileges and immunities (e.g., sovereign immunity, federal tax immunity) that tribes do; ANCSA for-profit corporations are not governed by a council of elected tribal leaders but by the decisions of a board of directors that possess a fiduciary duty only to their corporate shareholders, not to tribal members. In short, the ANCSA for-profit corporations are not governments and should not be included on the Executive Order on Consultation as entitled to consultation based upon governmental status."

Alaska Native Tribes. Since 1993, the Bureau of Indian Affairs (BIA) has undertaken formally to recognize the tribal nature of Alaska Native tribes. On October 21, 1993, BIA published a list of "Indian entities recognized and eligible to receive services" which dropped the ANCSA corporations from the 1988 BIA list. Instead, by listing over 200 Native Alaska tribes, "the Department has determined that the villages and regional tribes listed below are distinctly Native communities and have the status as tribes in the contiguous 48 states. ... [T]hey have the same governmental status as other federally acknowledged Indian tribes by virtue of their status as Indian tribes with a government-to-government relationship with the United States; are entitled to the same protection, immunities, privileges as other acknowledged tribes; have the right, subject to general principles of Federal Indian law, to exercise the same inherent and delegated authorities available to other tribes; and are subject to the same limitations imposed by law on other tribes." On November 2, 1994, Congress recognized this BIA list of Federally recognized Indian tribes (the list that excluded the ANCSA corporations) and mandated an annual update.

Suggested Inclusion of ANCSA Corporations in Draft Tribal Consultation Order. This spring, OMB circulated informally an April 26 draft of the tribal consultation order that included ANCSA corporations within the order's consultation procedures. White House Counsel (Mary Smith), Lynn Cutler, Interior (BIA), and Justice (Office of Tribal Justice) oppose mentioning the ANCSA corporations in the tribal executive order. OTJ argues that "[a]ny reference to Alaska Native corporations should be in a signing statement accompanying the order rather than the order itself because the order itself refers to tribal governments in their sovereign capacity."

BIA points out that there exists a hierarchy of tribal and Indian organizations, based on Federal trust responsibilities, with which Federal agencies need to consult. In rough order, the hierarchy is tribes, national tribal organizations, and regional tribal organizations. Farther removed, conceptually, from Federal trust responsibilities are Indian economic interests. Yet, even here, BIA suggests, the "Section 17 corporations" have a closer claim to Federal tribal responsibilities than ANCSA corporations. The "Section 17 corporations," authorized by Congress in 1934, allow Indian tribes to incorporate, and waive sovereign immunity, to permit them to engage in business and corporate dealings. In fact, the ANCSA corporations do not represent tribes or even real estate interests to which the Federal government has any trust responsibilities.

In addition, BIA pointed out that both BIA and the HHS/Indian Health Service have created a priority for contracting in Alaska. This priority favors Alaska Native tribes over ANCSA corporations, a position consistent with their effort to legitimate and support the Alaska Native tribes. Native Alaska villages have first priority, then the village corporation, then the regional corporation. "In this way, the entities that the Department [of the Interior] recognizes as entitled to the government-to-government relationship have priority to contract to provide services to their members. If we were required to consult with the regional corporations at the same time and with the same weight as the recognized Alaska tribal entities, it would create confusion and may disrupt the delicate balance in priority for contracting and compacting under the ISDEA [Indian Self-Determination and Education Assistance Act]."

Options

John Spotilla seeks to include ANCSA corporations in the actual text of the executive order. I have resisted that, but offered to compromise by drafting a press statement (see below), to be considered as a signing statement accompanying the tribal consultation order. The reference to the ANCSA corporations is intended to recognize their claim for consultation, without offending the sovereign status of Native American and Alaska Native tribes, or appearing to exclude other Indian organizations that are not specifically mentioned.

[DRAFT]

STATEMENT BY THE PRESIDENT ON TRIBAL CONSULTATION

Today I am pleased to sign a revised Executive Order on consultation with Indian tribal governments. This Executive Order, itself based on consultation, will renew my Administration's commitment to tribal sovereignty and our government-to-government relationship.

The First Americans hold a unique place in our history. Long before others came to our shores, the First Americans had established powerful and sophisticated societies. Among their societies, democracy flourished long before the founding of our Nation. Upon the founding of our Republic, our Nation entered into treaties with Indian nations, which acknowledged their right to self-government and protected their lands. The Constitution affirms the United States' government-to-government relationship with Indian tribes both in the Commerce Clause, which establishes that "the Congress shall have the Power To . . . regulate commerce . . . with the Indian Tribes," and in the Supremacy Clause, which ratifies the Indian treaties that the United States entered into prior to 1787.

Indian nations and tribes ceded lands, water and mineral rights in exchange for peace, security, health care and education, and the Federal Government has not always lived up to its end of the bargain. That was wrong, and I have worked hard to change that by recognizing the importance of tribal sovereignty and government-to-government relations. When I became the first president since James Monroe to invite the leaders of every tribe to the White House in April 1994, I vowed to honor and respect tribal sovereignty. At that historic meeting, I issued a memorandum directing all federal agencies to consult with Indian tribes before making decisions on matters affecting American Indian and Alaska Native peoples.

Today, there is nothing more important than in the area of Federal-tribal relations than fostering true government-to-government relations to empower American Indians and Alaska Natives to improve their own lives, the lives of their children, and the generations to come. We must engage in a partnership, so that the First Americans can reach their full potential. So, in our Nation's relations with Indian tribes, our first principle must be to respect the right of American Indians and Alaska Natives to self-determination. We must respect Native Americans rights to choose for themselves their own way of life on their own lands according to their time honored cultures and traditions. We must also acknowledge that American Indians and Alaska Natives must have access to new technology and commerce to promote economic opportunity in their homelands.

I hereby reaffirm our commitment to tribal sovereignty, self-determination, and self-government by issuing a revised Executive Order on Consultation and Coordination with Indian Tribal Governments. **This Executive Order builds on prior directives and strengthens our Federal government-to-government relationship with Indian tribes by creating a process to ensure that all Executive departments and agencies consult with Indian tribes and respect tribal sovereignty as they develop policy on issues that impact Indian communities.**

In carrying out this work, Executive departments and agencies must take into account our unique trust relationship with Indian tribes and should be respectful of the vibrant and diverse cultures of American Indians and Alaska Natives. In conjunction with the signing of this Executive Order, I ask that all federal agencies consult with interested Native American organizations to the extent practicable. For instance, Congress has established a unique organizational structure of Alaska Native corporations to manage native lands and assets under the Alaska Native Claims Settlement Act, and executive departments and agencies should also be aware of this organizational structure of Alaska Native corporations, and should consult with them, in addition to Alaska Native villages, when corporation lands or other interests may be affected by agency action.

Shaw

I hope that today's actions will foster an improved dialogue between the Federal government and Indian tribal governments.

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Executive Order

CONSULTATION AND COORDINATION
WITH INDIAN TRIBAL GOVERNMENTS

By the authority vested in me as President by the Constitution and the laws of the United States of America, **in furtherance of the United States' historic government-to-government relationship with Indian tribes**, and in order to establish regular and meaningful consultation and collaboration with tribal officials in the development of Federal policies that have tribal implications and to reduce the imposition of unfunded mandates upon Indian tribes; it is hereby ordered as follows:

Section 1. Definitions. For purposes of this order:

(a) "Policies that have tribal implications" refers to regulations, legislative comments or proposed legislation, and other policy statements or actions that have substantial direct effects on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes.

(b) "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 the Federally Recognized Indian Tribe List Act of 1994, 25 U.S.C. 479a.

(c) "Agency" means any authority of the United States that is an "agency" under 44

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U.S.C. 3502(1), other than those considered to be independent regulatory agencies, as defined in 44 U.S.C. 3502(5).

(d) “Tribal officials” means elected or duly appointed officials of Indian tribal governments or authorized intertribal organizations.

Sec. 2. Fundamental Principles. When formulating or implementing policies that have tribal implications, agencies shall be guided by the following fundamental principles:

(a) The United States has a unique legal relationship with Indian tribal governments as set forth in the Constitution of the United States, treaties, statutes, executive orders, and court decisions. Since the formation of the Union, the United States has recognized Indian tribes as domestic dependent nations under its protection. The Federal Government has enacted numerous statutes and promulgated numerous regulations that establish and define a trust relationship with Indian tribes.

(b) Our Nation, under the law of the United States, in accordance with treaties, statutes, executive orders, and judicial decisions, has guaranteed the right of Indian tribes to self-government. As domestic dependent nations, Indian tribes exercise inherent sovereign powers over their members and territory. The United States continues to work with Indian tribes on a government-to-government basis to address issues concerning Indian tribal self-government, tribal trust resources, and Indian tribal treaty and other rights.

(c) The United States recognizes the ongoing right of Indian tribes to self-government and supports tribal sovereignty and self-determination.

Sec. 3. Policymaking Criteria. In addition to adhering to the fundamental principles set forth in section 2, agencies shall adhere, to the extent permitted by law, to the following criteria

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when formulating policies that have tribal implications:

(a) Agencies shall be guided by the principles of respect for Indian tribal self-government and sovereignty, for tribal treaty and other rights, and for responsibilities that arise from the unique legal relationship between the Federal Government and Indian tribal governments.

(b) With respect to Federal statutes and regulations administered by Indian tribal governments, the Federal Government shall grant Indian tribal governments the maximum administrative discretion possible.

(c) When undertaking to formulate and implement policies that have tribal implications, agencies shall:

(1) encourage Indian tribes to develop their own policies to achieve program objectives;

(2) where possible, defer to Indian tribes to establish standards; and

(3) in determining whether to establish Federal standards, consult with tribal officials as to the need for Federal standards and any alternatives that would limit the scope of Federal standards or otherwise preserve the prerogatives and authority of Indian tribes.

Sec. 4. Special Requirements for Legislative Proposals. Agencies shall not submit to the Congress legislation that would be inconsistent with the policymaking criteria in Section 3.

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Sec. 5. Consultation. (a) Each agency shall have an accountable process to ensure meaningful and timely input by tribal officials in the development of regulatory policies that have tribal implications. Within 30 days after the effective date of this order, the head of each agency shall designate an official with principal responsibility for the agency's implementation of this order. Within 60 days of the effective date of this order, the designated official shall submit to the Office of Management and Budget a description of the agency's consultation process.

(b) To the extent practicable and permitted by law, no agency shall promulgate any regulation that has tribal implications, that imposes substantial direct compliance costs on Indian tribal governments, and that is not required by statute, unless:

(1) funds necessary to pay the direct costs incurred by the Indian tribal government or the tribe in complying with the regulation are provided by the Federal Government, or

(2) the agency, prior to the formal promulgation of the regulation,

(A) consulted with tribal officials early in the process of developing the proposed regulation;

(B) in a separately identified portion of the preamble to the regulation as it is to be issued in the Federal Register, provides to the Director of the Office of Management and Budget a tribal summary impact statement, which consists of a description of the extent of the agency's prior consultation with tribal officials, a

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summary of the nature of their concerns, the agency's position supporting the need to issue the regulation, and a statement of the extent to which the concerns of tribal officials have been met; and

(C) makes available to the Director of the Office of Management and Budget any written communications submitted to the agency by tribal officials.

(c) To the extent practicable and permitted by law, no agency shall promulgate any regulation that has tribal implications and that preempts tribal law unless the agency, prior to the formal promulgation of the regulation,

(1) consulted with tribal officials early in the process of developing the proposed regulation;

(2) in a separately identified portion of the preamble to the regulation as it is to be issued in the Federal Register, provides to the Director of the Office of Management and Budget a tribal summary impact statement, which consists of a description of the extent of the agency's prior consultation with tribal officials, a summary of the nature of their concerns, the agency's position supporting the need to issue the regulation, and a statement of the extent to which the concerns of tribal officials have been met; and

(3) makes available to the Director of the Office of Management and Budget any written communications submitted to the agency by tribal officials.

Sec. 6. Increasing Flexibility for Indian Tribal Waivers.

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(a) Agencies shall review the processes under which Indian tribes apply for waivers of statutory and regulatory requirements and take appropriate steps to streamline those processes.

(b) Each agency shall, to the extent practicable and permitted by law, consider any application by an Indian tribe for a waiver of statutory or regulatory requirements in connection with any program administered by the agency with a general view toward increasing opportunities for utilizing flexible policy approaches at the Indian tribal level in cases in which the proposed waiver is consistent with the applicable Federal policy objectives and is otherwise appropriate.

(c) Each agency shall, to the extent practicable and permitted by law, render a decision upon a complete application for a waiver within 120 days of receipt of such application by the agency, or as otherwise provided by law or regulation. If the application for waiver is not granted, the agency shall provide the applicant with timely written notice of the decision and the reasons therefor.

(d) This section applies only to statutory or regulatory requirements that are discretionary and subject to waiver by the agency.

Sec. 7. Cooperation in developing regulations. On issues relating to tribal self-government, tribal trust resources, or Indian tribal treaty and other rights, each agency should explore and, where appropriate, use consensual mechanisms for developing regulations, including negotiated rulemaking.

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Sec. 8. Accountability.

(a) In transmitting any draft final regulation that has tribal implications to the Office of Management and Budget pursuant to Executive Order No. 12866, each agency shall include a certification from the official designated to ensure compliance with this order stating that the requirements of this order have been met in a meaningful and timely manner.

(b) In transmitting proposed legislation that has tribal implications to the Office of Management and Budget, each agency shall include a certification from the official designated to ensure compliance with this order that all relevant requirements of this order have been met.

(c) Within 180 days after the effective date of this order the Director of the Office of Management and Budget and the Assistant to the President for Intergovernmental Affairs shall confer with tribal officials to ensure that this order is being properly and effectively implemented.

Sec. 9. Independent agencies. Independent regulatory agencies are encouraged to comply with the provisions of this order.

Sec. 10. General provisions. (a) This order is intended only to improve the internal management of the executive branch, and is not intended to create any right, benefit, or trust responsibility, substantive or procedural, enforceable at law by a party against the United States, its agencies, or any person.

(b) This order shall supplement but not supersede the requirements contained in

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Executive Order 12866 ("Regulatory Planning and Review"), Executive Order 12988 ("Civil Justice Reform"), OMB Circular A-19, and the Executive Memorandum of April 29, 1994, on Government-to-Government Relations with Native American Tribal Governments.

(c) This order shall complement the consultation and waiver provisions in sections 6 and 7 of Executive Order 13132 ("Federalism").

(d) Executive Order 13084 ("Consultation and Coordination with Indian Tribal Governments") is revoked at the time this order takes effect.

(e) This order shall be effective 60 days after the date of this order.

THE WHITE HOUSE,

**PRELIMINARY FY 2001 FEDERAL FUNDING FOR ELECTED AJOR
GOVERNMENT-WIDE NATIVE AMERICAN PROGRAMS***

(Budget Authority, in millions of dollars)

	Approps Bills	FY 1999 Actual	FY 2000 Enact. Adj.**	FY 2001 Request	Latest*** House	House vs. Request	Latest*** Senate	Senate vs. Request
Department of Health and Human Services								
Indian Head Start	(Labor/HHS/ED)	130	147	175	158	(17)	175	0
Indian Health Service (Budget Authority)	(Interior)	2,240	2,391	2,620	2,443	(178)	2,534	(87)
Indian Health Service (Total Program Level) 1/.....		[2,650]	[2,830]	[3,060]	[2,882]	[-178]	[2,973]	[-87]
Contract Support		204	229	289	229	(40)	244	(25)
ACF: ANA - Tribal Commercial Code/Energy Dv/pmt Grants	(Labor/HHS/ED)	35	35	44	35	(9)	40	(4)
Administration on Aging	(Labor/HHS/ED)	18	18	23	18	(5)	23	0
Department of the Interior								
Bureau of Indian Affairs	(Interior)	1,746	1,869	2,201	1,881	(320)	2,088	(113)
Operation of Indian Programs		1,584	1,640	1,795	1,657	(138)	1,707	(68)
School Operations		478	467	507	472	(35)	479	(28)
Therapeutic Model		—	—	8	0	(8)	0	(8)
FACE		6	6	12	6	(6)	6	(6)
Tribal Colleges Operation		31	35	38	36	(2)	38	(0)
Road/Bridge Maintenance		26	26	32	26	(6)	27	(5)
Housing Improvement		18	16	32	9	(23)	16	(16)
Contract Support and ISD		115	125	134	125	(9)	130	(4)
Law Enforcement		99	141	160	141	(19)	152	(8)
Trust Services		73	73	108	88	(19)	85	(23)
School Construction, Repair, Maintenance		60	133	300	120	(180)	277	(23)
Bonding Initiative		—	—	30	0	(30)	0	(30)
Office of Special Trustee and Land Consolidation	(Interior)	66	95	95	87	(8)	93	(2)
Department of Housing and Urban Development								
Native American Housing Block Grant	(VA/HUD)	693	693	725	693	(32)	N/A	(725)
Title VI Loan Guarantee		620	620	650	620	(30)	N/A	(650)
Indian Homeownership Intermediary Initiative		[6]	[6]	[5]	[6]	[+1]	N/A	[5]
Indian Community Development Block Grant		—	—	[5]	[0]	[-5]	N/A	[5]
Native American Business Access Center		67	67	69	67	(2)	N/A	(69)
Tribal Colleges Initiative		—	—	[2]	[0]	[-2]	N/A	[2]
Indian Housing Loan Guarantee		—	—	[5]	[0]	[-5]	N/A	[5]
Indian Housing Loan Guarantee		6	6	6	6	0	N/A	(6)
Department of Transportation								
Indian Reservation Roads and Bridges	(Transportation)	284	250	375	258	(117)	292	(83)
Job Access		264	232	349	240	(109)	274	(75)
Tribal Colleges Technical Assistance		—	—	5	0	(5)	0	(5)
Construction Skills Training		—	—	1	0	(1)	0	(1)
Highway Safety Grants		—	—	1	0	(1)	0	(1)
Highway Safety Grants		1	1	2	1	(1)	1	(1)

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OMB INTERIOR BRANCH

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	Approps Bills	FY 1999 Actual	FY 2000 Enact. Adj. **	FY 2001 Request	Latest*** House	House vs. Request	Latest*** Senate	Senate vs. Request
Department of Education	(Labor/HHS/ED)	1,530	1,627	1,706	1,688	(18)	1,744	38
School Renovation Initiative		-	-	50	0	(50)	0	(50)
Impact Aid - Public School Construction		5	5	5	0	(5)	0	(5)
Native American Teacher Corps		-	10	10	10	0	10	0
Native American Administrator Corps		-	-	5	0	(5)	5	0
Tribal College Capacity Building		3	6	9	12	3	10	1
Inter-agency Tribal Colleges Initiatives		43	57	67	61	(6)	62	(5)
Department of Commerce	(C/I/S)	7	20	56	17	(39)	16	(40)
Economic Development Administration		3	17	49	15	(34)	15	(34)
Small Business Administration	(C/I/S)	0	0	6	0	(6)	5	(1)
Native American Small Business Development Centers (SBDCs) 2/.....		-	-	3	0	(3)	3	0
Tribal Business Information Centers (TBICs) 2/.....		0	0	2	0	(2)	2	0
BusinessLINC 3/.....		-	-	1	0	(1)	0	(1)
Department of the Treasury								
Comm. Dev. Financial Institutions	(VA/HUD)	0	0	5	5	0	N/A	(5)
National Science Foundation	(VA/HUD)							
Tribal College Initiative		-	-	10	10	0	N/A	(10)
Department of Agriculture	(Agriculture)	197	198	229	215	(14)	218	(11)
Rural Community Advancement Program.....		12	12	24	12	(12)	24	0
Tribal Colleges Endowment, Interest, & Payments to 1994 Instit.....		9	10	14	13	(1)	14	0
Reservation Agents		2	2	5	2	(3)	3	(3)
Department of Justice/Department of the Interior Law Enforcement Initiative		281	336	439	248	(191)	352	(87)
DOJ, Law Enforcement	(C/I/S)	182	195	279	107	(172)	200	(79)
DOJ, Law Enforcement Base.....		93	103	105	107	2	105	0
DOJ, Law Enforcement Initiative		89	92	174	0	(174)	95	(79)
DOI, Law Enforcement	(Interior)	99	141	160	141	(19)	152	(8)
DOI, Law Enforcement Base		79	101	101	101	0	101	0
DOI, Law Enforcement Initiative		20	40	59	40	(19)	51	(9)
Environmental Protection Agency	(VA/HUD)	159	170	188	175	(13)	N/A	(188)
General Assistance Program		43	43	53	53	0	N/A	(53)
Department of Energy (Tribal Energy Program)	(Energy/Water)	5	4	5	2	(3)	7	2

FOOTNOTES:

*Table Includes funding for programs specific to Native Americans and set-asides for Native Americans within larger programs.

**The FY 2000 Enacted Adjusted column does not include one time expenses that would skew comparisons with other fiscal years' funding levels.

***The FY 2001 Congressional decisions, in many cases, are based on information available as of 08/04/00. Many programs are formula-driven; the level provided is an estimate and may change.

1/ Includes budget authority plus collections from Medicare, Medicaid, private insurance, quarters, and \$30 million from HCFA for a Special Diabetes Initiative.

2/ Senate allocation includes amount requested; does not explicitly earmark funds for the Native American Programs Initiative. The \$3m requested for SBDCs requires authorization; \$1.5m for TBICs

3/ Senate allocation includes \$285K for BusinessLINC; however, because it rounds less than \$500K it is not reflected on the table.

N/A - Not available; funding levels being determined or no Congressional action to-date.

WHY THE NATIVE AMERICAN INITIATIVE IS NEEDED

- According to the 1990 Census, there were nearly 2 million Native Americans living in the United States. According to middle series population projections, the nation's American Indian, Eskimo and Aleut resident population will grow to 3.1 by 2020. This means that this race group should see its population increase faster over the next two decades than either Whites or African Americans but more slowly than Hispanics (who may be of any race) or Asians and Pacific Islanders. (Census Bureau, <<http://www.census.gov/Press-Release/cb96-36.html>>)
- The nation's American Indian, Eskimo, and Aleut resident population is young, with an estimated median age on July 1, 1999, of 27.6 years – nearly eight years younger than the median for the population as a whole. (Census Bureau, <<http://www.census.gov/Press-Release/www/1999/cb99-101.html>>)

Economic Conditions

- About one-third of the nation's American Indian, Eskimo, and Aleut households had incomes that placed them below the poverty line in 1997. (Census Bureau, <<http://www.census.gov/ftp/pub/mp/www/pub/con/mscho20a..html>>)
- On some reservations, there is over 70 percent unemployment. 1997 Indian Labor Force Report.

Digital Divide

- For telephone penetration, rural Native American households (76.4%) rank far below the national average (94.1%). (Commerce Department, Falling Through the Net: Defining the Digital Divide, July 1999).
- Rural Native American households' access to computers (26.8%) is also lower than the national average. (Commerce Department, Falling Through the Net: Defining the Digital Divide, July 1999).
- Overall, Native Americans are also behind in their access to the Internet (18.9%), compared with the national average (26.2%). (Commerce Department, Falling Through the Net: Defining the Digital Divide, July 1999).

Health

- Native Americans are about three times more like to die from diabetes than the rest of the population. 1997 Trends in Indian Health, Table 4.11.
- Native Americans are about five times more like to die from tuberculosis than the rest of the population. 1997 Trends in Indian Health, Table 4.11.
- American Indians are over two times more likely to have a child die from Sudden Infant Death Syndrome (SIDS). 1997 Trends in Indian Health, Table 3.10.

- AI/AN women have the worst survival statistics for breast cancer than any other ethnic groups because of late detection.
- Native Americans, particularly in the Northern Plains, often have life expectancies that rival third-world countries. The average life expectancy for the Oglala Sioux men at the Pine Ridge Reservation in South Dakota is 56.5 years, and for women, it is 66 years. U.S. Patterns of Mortality by County and Race: 1965-1994, Harvard Center for Population and Development Studies, 1998.
- Substance abuse, especially alcohol, among youth is a serious problem in many Indian communities. The problem is already manifesting itself through alcoholism death rates for Indians, 15 to 24 years of age. The Indian rate is 5.5 deaths per 100,000 population compared to 0.3 for the entire population. 1997 Trends in Indian Health, Table 4.30.
- Indian youth are also more likely to die from accidents and suicide than youth in the general population.

Educational Attainment

- 1990, 66 percent of American Indians 25 years old and over were high school graduates or higher, compared with 75 percent for the total population. About 9 percent of American Indians completed a bachelor's degree or higher –lower than the 20 percent for the total population. 1990 Census.

Law Enforcement

- American Indians are the victims of violent crimes at more than twice the rate of all U.S. residents. Department of Justice, 1999.
- The Navajo Nation, with 17 million acres of land, has 0.9 police officers per 1,000 compared with 2.3 police officers in comparable off-reservation communities. Department of Justice, 1998.

**PRESIDENT CLINTON AND VICE PRESIDENT GORE:
HONORING COMMITMENTS
TO NATIVE AMERICANS IN THE FY2001 BUDGET**

February 7, 2000

Updated February 22, 2000

"I also . . . [want] to make special efforts to address the areas of our nation with the highest rates of poverty -- our Native American reservations and the Mississippi Delta. My budget includes . . . a billion dollars to increase economic opportunity, health care, education and law enforcement for our Native American communities. In this new century -- we should begin this new century by honoring our historic responsibility to empower the first Americans. And I want to thank tonight the leaders and the members from both parties who've expressed to me an interest in working with us on these efforts. They are profoundly important."

President Bill Clinton
State of the Union
January 27, 2000

In order to better serve Native American communities and to honor the federal government's trust responsibility to tribes, the President's budget includes a total of \$9.4 billion for key new and existing programs that assist Native Americans and Indian reservations. This total is an increase of \$1.2 billion over Fiscal Year 2000 -- the largest increase ever. This initiative brings together several agencies in order to address the needs of Native American communities comprehensively. Some of the highlights include: \$300 million for Bureau of Indian Affairs school construction and repair; \$349 million through the Department of Transportation for roads in Indian Country; and \$2.6 billion for the Indian Health Service. Other key components of the Native American initiative are:

Budget Initiatives for Native Americans:

Investing in Education and Training.

— **Bureau of Indian Affairs (BIA) School Construction and Repair.** The President has proposed \$300 million, more than double the FY 2000 enacted level of \$133 million, to replace and repair BIA-funded schools on reservations. This is the largest investment ever in a single year for BIA school construction and repair. Of these funds, \$126 million would be used to assist in replacing at least six of the 185 BIA-funded schools on reservations. The remaining \$174 million would provide for much-needed health and safety-related repairs and improvements that together comprise a roughly \$700 million backlog. Within the BIA's school construction funds, up to \$30 million may be used to assist tribes or tribal consortia in issuing the bonds described below by using these funds to ensure principal repayment.

— **Hiring well-prepared teachers to reduce class size in the early grades.** As part of President Clinton's national initiative to hire 100,000 teachers to reduce class size in grades 1-3 to a national average of 18, the budget will provide \$5 million for BIA-funded schools. These funds will enable local schools to recruit, hire, and train more teachers. Studies show that smaller classes enable teachers to give personal attention to students, which leads to their getting a stronger foundation in the basic skills. The studies also show that minority and disadvantaged students show the greatest achievement gains as a result of reducing class size in the early grades.

— **Training and Recruiting New Native American Teachers.** Only two-thirds of Native American students successfully complete high school --far fewer than other students. In addition, schools with high populations of American Indian students are typically plagued by high teacher turn-over. To address these challenges, the budget provides \$10 million for the Education Department to continue the second year of the Administration's initiative to begin training and recruiting 1,000 new teachers for areas with high concentrations of American Indian and Alaska Native students.

— **New American Indian Administrator Corps.** The President and the Vice President propose \$5 million for a new Department of Education initiative, the American Indian Administrator Corps, that will support the recruitment, training, and in-service professional development of 500 American Indians and Alaska Natives to become effective school administrators in schools with high populations of Native American students. As in the Native American teacher initiative, higher-education institutions are encouraged to form consortia with the tribal colleges in order to develop this program.

— **Native American School Modernization Bonds.** In addition to the \$24.8 billion of School Modernization Tax Credit Bonds authorized in his budget for the construction and renovation of public schools, the President's budget includes a component for Native American schools. The Secretary of Interior would be authorized to allocate \$400 million bonding authority (\$200 million in 2001 and \$200 million in 2002) to tribes or tribal consortia for the construction and renovation of BIA-funded schools. In addition to providing tax credits to the bondholders in lieu of interest payments, the President's budget includes \$30 million to help ensure principal repayment for tribal issuers.

— **New School Renovation Loan and Grant Program.** This new \$1.3 billion initiative leverages nearly \$7 billion of (approximately 8,300) renovation projects in high-need school districts with little or no capacity to fund urgent repairs. Within this program, the President has allocated \$50 million for grants to public schools with high concentrations of Native American students. The \$1.3 billion initiative also includes a loan program targeted to those districts unable to finance the interest cost associated with facilities renovation and a smaller grant program to provide direct funding to needy school districts unable to finance the capital expenditures associated with school renovation.

— **New Therapeutic Pilots at BIA Boarding Schools.** The President and the Vice President propose \$8.2 million for a new initiative to establish Therapeutic Residential Treatment Programs (TRTP) at 5-7 of the BIA boarding schools and dormitories. According to the Centers for Disease Control,

American Indian students attending BIA schools are at a very high risk for severe problems associated with substance abuse, depression, poverty, neglect, homelessness, and physical abuse. Through the addition of appropriate professionals at each pilot site, necessary intervention treatments will be provided to students in a holistic manner, ranging from education to mental health to substance abuse treatment.

- **Doubling the Family and Child Education (FACE) Program.** The budget includes \$12.8 million, a more than 100 percent increase over the FY 2000 level of \$6 million, to double the FACE program at BIA from 22 to 44 sites. The FACE program is a two-generation education program that provides services such as early childhood educational programs to young children and provides training to parents to enhance their parenting skills, education, and literacy.

- **Strengthening BIA-Funded Schools and Colleges Serving Tribes.** The budget provides \$562 million for the operation of elementary and secondary schools, tribally controlled community colleges, and assistance to Indian children attending public schools. This represents an increase of \$43 million over the enacted 2000 level.

- **Increased Funding for Tribal Colleges.** The budget proposes increased funding for the Nation's tribal colleges. At the Department of Education, the budget provides for \$9 million – a 50 percent increase over 2000 enacted – in order to improve and expand the capacity of the tribal colleges to serve Native American students in several ways, including developing academic programs. With this increase at the Education Department, 24 tribal colleges will receive funding. At the Department of the Interior, the budget proposes a \$3 million increase to \$38 million in order to fund the operations of the tribal colleges. Including these funds at Interior and Education, the budget includes a total of \$77 million for support to tribal colleges through funding at the National Science Foundation, and the Departments of the Interior, Education, Agriculture, Housing and Urban Development, and Transportation.

- **Tribal College Endowment Fund.** The President's budget proposes to increase the authorized level from \$4.6 million to \$7.1 million, a 54 percent increase over 2000, for the Native American Institutions Endowment Fund at the Department of Agriculture in order to build educational capacity through student recruitment and retention; curricula development; faculty preparation; instruction delivery systems; and scientific instrumentation for teaching.

- **Head Start.** The President's budget boosts funding for Head Start by \$1 billion – the largest funding increase ever – to provide Head Start and Early Head Start to approximately 950,000 children, nearing the President's goal of serving one million children in 2002. Since the President took office, funding for Head Start has risen by nearly 90 percent, enabling 160,000 more low-income children to participate in the program.

- **Indian Head Start.** The budget provides \$175 million for Indian Head Start -- a \$30 million increase over FY 2000.

Fighting Crime in Indian Country. The President's budget included key increases for law

enforcement:

— **Improves Law Enforcement in Indian Country.** The budget proposes \$439 million, an increase of \$103 million over FY 2000, for the Departments of Justice and Interior for the third year of the President's Indian Country Law Enforcement Initiative. The initiative will improve public safety for the over 1.4 million residents on the approximately 56 million acres of Indian lands. This funding will increase the number of law enforcement officers on Indian lands, provide more equipment, expand detention facilities, enhance juvenile crime prevention, and improve the effectiveness of tribal courts. This initiative also includes increased funding for the unique needs of Indian Country such as legal assistance to indigent Native Americans; funding to support curriculum development at tribal colleges for law enforcement and legal studies; an alcohol and substance abuse diversion program; and sexual assault units to help prosecute sexual offenders. Although violent crime has been declining nationally for several years, it has been on the rise in Indian country. According to the Department of Justice, American Indians are the victims of violent crimes at more than twice the rate of all U.S. residents. Recognizing this, the President made a major commitment to improve law enforcement in Indian country.

— **Law Enforcement Housing Opportunities.** The budget proposes to permit, through HUD's Indian Housing Block Grant, tribes or tribally-designated housing entities to provide housing or housing assistance for qualified law enforcement officers.

Providing Health Care and Promoting Safety. President Clinton and Vice President Gore are committed to providing health care to the Native American population. This budget moves forward on their vision to help realize this goal.

— **Indian Health Service.** The President's budget proposes \$2.6 billion, an increase for the Indian Health Service (IHS) of \$230 million or 10 percent over the FY 2000 enacted level. This increase would enable IHS to continue expanding accessible and high-quality health care to its approximately 1.5 million Native American service users to: improve preventive services designed to reduce the need for acute medical care; expand patient access to clinical services to help improve health status; improve emergency medical services in remote locations on American Indian and Alaska Native reservations; address the health and environmental conditions in American Indian and Alaska Native homes and communities by constructing safe water and waste disposal facilities; expand programs that provide substance abuse treatment and prevention and mental health services; strengthen existing disease surveillance capabilities; target additional assessment and treatment of diabetes and other chronic diseases; and provide preventive and corrective dental care to prevent disease and reduce tooth loss, such as water fluoridation.

— **IHS Medicaid and Medicare Reimbursements.** IHS will collect a total of \$365 million in Medicaid and Medicare reimbursements in FY2001, helping to bring the total IHS program level to \$3.1 billion.

— **Indian Health Service (IHS) Contract Support Costs.** Within the overall IHS increase, the budget continues to support Tribal self-determination by proposing a \$40 million (+18%) increase for contract support costs, to cover the costs of new and existing tribal contracts and compacts.

- **Helping to Reduce Racial Disparities in Health Status.** Despite improvements in the Nation's overall health, continuing disparities remain in the burden of death and illness that certain minority groups experience. For example, American Indian and Alaska Natives are about three times as likely to die from diabetes as other Americans. Working with minority public health providers, advocates, and other consumer representatives, \$35 million is provided for Centers for Disease Control to continue demonstration programs to enable select communities to develop innovative and effective approaches to address these disparities.
- **Treatment for Substance Abuse.** The Targeted Treatment Capacity Expansion Grant program at the Department of Health and Human Services provides funds to help communities address emerging substance abuse problems and unmet treatment needs. The President's budget proposes \$163 million for Targeted Treatment Capacity Expansion grants, which is \$49 million over the FY 2000 level of \$114 million and will provide treatment for nearly 10,000 additional individuals. Last year, over fifteen percent of these competitive grants focused on substance abuse treatment for Native American youth and adults.
- **Providing Care for Native American Seniors.** The budget proposes \$23.5 million, an increase of \$5 million, to expand core nutrition and supportive services as well as caregiver services such as respite care and adult day care to Native American seniors.
- **Highway Safety Grants.** Because highway safety is a major problem on Indian reservations, the budget will double the amount to \$2 million for highway safety grants in Indian Country. These grants are used for problem identification, planning, and implementation to address highway safety problems related to human factors and roadway environment in order to reduce crashes, deaths, and injuries.
- **Elevating the Position of the Director of IHS.** The President will also continue his efforts to elevate the Director of IHS to the position of Assistant Secretary.

Providing Infrastructure for Native American Communities. President Clinton and Vice President Gore are providing solid investments to build infrastructure in Native American communities.

- **Building Roads and Bridges in Indian Country.** The Transportation Department (DOT) will expand its program to improve roads and bridges on Indian reservations. The President's budget proposes to give the Indian Reservations Roads program the full authorization amount of \$275 million with an additional \$74 million from a highway receipts account for a total of \$349 million, which is an increase of \$117 million over the previous year. This will allow Tribes to address the estimated backlog of \$4 billion in needs on these roads and bridges.
- **Tribal Infrastructure Projects.** The President and the Vice President propose \$49 million, an increase of \$46 million over FY 2000, for the Department of Commerce's Economic Development Administration (EDA) to fund infrastructure, planning, and public works projects. These projects will focus on technology, business development, and tribal economic development activities. EDA will give priority to projects that emphasize the attraction of outside capital to, and the location of basic commercial business operations in, Native American communities.
- **USDA Rural Development Programs.** The FY2001 budget proposes \$26 million, an increase of

\$14 million over 2000 enacted to provide loans and grants through the Department of Agriculture's (USDA) rural development programs to construct and improve Native Americans' water and wastewater systems; community facilities such as health clinics and child care centers; and diversify and expand economic opportunities.

— **Environmental Protection Agency (EPA) Wastewater and Drinking Water Infrastructure Investments.** The FY2001 budget increases the Tribal share of the Clean Water State Revolving Fund appropriation from 0.5 to 1.5 percent. The percentage increase will add more than \$5 million for Tribal wastewater infrastructure spending over FY 2000. The Administration also continues to request an additional \$15 million for drinking water and wastewater infrastructure needs of Alaska Native villages.

— **Construction Skills Training.** Currently, Transportation funds \$10 million per year for a construction skills training program targeted to all minorities. Last year, only \$9 million was obligated because overall highway funding was less than authorized levels. The President's budget proposes to ensure this program is funded at its authorized levels thereby providing the full \$10 million in FY2001 and setting aside \$1 million for Native Americans.

Empowering Communities and Moving People from Welfare to Work.

— **Addressing the Digital Divide.** The Administration proposes this new initiative to encourage Native Americans to pursue information technology and other science and technology fields as areas of study as well as to increase the capacity of tribal colleges to offer courses in these areas. The budget provides \$10 million, to be administered by the National Science Foundation, for grants to tribal colleges for networking and access; course development; student assistance; and capacity building.

— **Extending Welfare-to-Work Grants.** To help more long-term welfare recipients and low-income fathers go to work and support their families, the Administration's budget will give state, local, tribal, and community- and faith-based grantees an additional two years to spend Welfare-to-Work funds, ensuring that roughly \$2 billion in existing resources continues to help those most in need. This will give grantees an opportunity to fully implement both the \$3 billion Welfare-to-Work initiative the Administration fought to include in the 1997 Balanced Budget Act, which included \$30 million in tribal grants, and the program eligibility improvements enacted last year with the Administration's support.

— **Helping Low-Income Fathers and Working Families Support Their Children.** The Administration's budget proposes \$255 million for the first year of a new "Fathers Work/Families Win" initiative to help low-income non-custodial parents (mainly fathers) and low-income families work and support their children. Within these funds, \$10 million will be set aside for applicants from Native American workforce agencies.

— **New Housing Vouchers for Hard-Pressed Working Families.** The Clinton-Gore budget includes \$690 million for 120,000 new rental housing vouchers to help America's hard-pressed working families. Of the 120,000 new housing vouchers, 32,000 will be targeted to families moving from welfare to work, 18,000 to homeless individuals and families, and 10,000 to low-income families moving to new housing constructed through the Low Income Housing Tax Credit,

with the remaining 60,000 vouchers allocated to local areas to help address the large unmet need for affordable housing. These new vouchers build on the 110,000 new housing vouchers secured through the President's leadership in the past two years. As part of the FY 1999 competition, HUD awarded nearly 800 welfare to work housing vouchers to two tribes, and assuming Congress approves new welfare to work vouchers, the Administration will maintain a similar policy in FY 2001.

— **Access to Jobs Program.** The Transportation Equity Act for the 21st Century (TEA-21) authorized \$750 million over five years for the President's Job Access initiative and reverse commute grants to develop flexible transportation solutions, such as van services, to help welfare recipients and other low-income workers (up to 150% of poverty) travel to job opportunities and employment-related services. The President's budget proposes to double funding for this initiative to \$150 million in FY2001. To increase mobility and access to employment opportunities for Native American families moving from welfare to work and other low-income workers, DOT will set aside \$5 million for Indian tribes under the FY2001 DOT Job Access grant program and propose, through appropriations language, allowing tribes to apply directly to the Federal Transit Administration for these grants.

— **Community Development Financial Institution (CDFI) Expansion.** The Administration requested a major expansion of the CDFI program to continue building a national network of community development banks. The final budget increases CDFI funding from \$95 million in FY2000 to \$125 million in FY2001 -- a \$30 million increase. In order to increase access to capital in Indian Country, the budget proposes, for the first time, a \$5 million set-aside within the CDFI Fund to establish a training and technical assistance program focused on eliminating barriers to capital access.

— **Housing Improvement Program.** The budget provides \$32 million at BIA – a doubling of the \$16 million in 2000 – to repair or replace dilapidated homes across Indian Country.

— **Indian Housing.** The budget provides \$650 million in block grants for Indian housing, an increase of \$30 million over FY 2000.

— **Indian Homeownership Intermediaries.** The budget proposes to set aside \$5 million within the Indian Housing Block Grant to create non-profit homeownership intermediaries in Indian Country. They will serve as a catalyst for the creation of a private homeownership market in Indian Country and will support local capacity-building intermediaries or "one-stop mortgage centers."

— **Economic Development Planning Grants.** The President's budget expands language within the Native American set-aside of the Community Development Block Grant to allow for stand-alone economic development planning grants.

— **Strengthening Tribal Environmental Programs.** The President's budget increases funding for the EPA's General Assistance Program (GAP) by \$10 million for a total of \$53 million. GAP grants fund tribal institutional capacity building for implementing environmental programs on Indian lands. GAP grants have increased from \$8 million in 1993 to the FY 2001 proposed level of \$53 million.

— **Tribal/EPA Cooperative Agreements to Implement Federal Environmental Programs.** The President's budget proposes appropriations language authorizing the Administrator of the EPA to enter into cooperative agreements with tribes or tribal consortia so that they may assist EPA in implementing Federal environmental programs. EPA will also provide grants to tribes and tribal consortia for this work.

— **Remove Cap on Nonpoint Source Water Pollution Grants to Tribes.** Appropriations language is proposed that permanently removes the one-third of one percent cap on the tribal share of the EPA Clean Water Act nonpoint source grants to tribes. These additional resources will help protect water quality on Indian lands.

— **Agricultural Extension Program.** This Initiative provides extension agents on large Indian reservations. These extension agents, employees of the State Cooperative Extension System, work with tribal advisory committees to develop educational programs in agriculture or agriculture-related youth programs that respond to tribal priorities. Since funding began in 1990, it has remained at \$1.7 million, supporting about 26 projects in 15 states. This year the President proposes to increase funding to \$5 million – the first increase since 1990.

— **Promoting Self-Sufficiency.** The FY2001 budget proposes \$44 million, an increase of \$9 million over 2000, for the Administration of Native Americans (ANA) at the Department of Health and Human Services (HHS). ANA funds projects that are expected to result in sustained improvements in the social and economic conditions of Native Americans within their communities. ANA will set-aside \$2 million for tribal energy development projects and another \$2 million to continue its work on developing tribal codes in order to promote business development in Indian Country.

— **Tribal Energy Program.** The budget proposes \$5 million, an increase of \$1 million, for the Tribal Energy Program at the Department of Energy which assists tribal governments in implementing energy programs, including with renewable energy resources such as wind energy.

— **Business Assistance at the Small Business Administration.** The budget proposes new funding to create Small Business Development Centers (SBDCs) in Indian Country to provide business and technical assistance to Native American entrepreneurs. These new tribal SBDCs will work in tandem with the seventeen existing Tribal Business Information Centers. A total of \$4.5 million is provided for this initiative. The Administration will propose authorizing legislation to establish the tribal SBDCs. This legislation will ensure that SBDCs will be available to all parts of Indian Country, including the poorest areas.

— **Expanding Business LINC to Indian Country.** For the first time, the budget proposes \$1.25 million to expand the Vice President's successful BusinessLINC program to Indian Country. BusinessLINC establishes mentor-protégé relationships between large and small businesses. The goal of BusinessLINC is to encourage large firms to provide technical assistance, business advice, networking, investment, and joint venturing opportunities for locally-owned smaller firms.

— **Tribal Colleges Initiative.** The budget proposes to set-aside \$5 million within the HUD Community Development Block Grant program for competitive grants awarded to tribal colleges to assist their communities with neighborhood revitalization, housing, and economic development.

These colleges will provide technical assistance and capacity building support to their surrounding communities through assistance in the creation of community development corporations; assistance in the development and coordination of supportive services for welfare-to-work initiatives; coordination and support for the rehabilitation of housing for low- to moderate-income families; and assistance in the promotion of economic development through small business incubators and job training programs.

— **Native American Economic Development Access Center.** The President's budget proposes an additional \$2 million at the Department of Housing and Urban Development to establish a Native American Economic Development Access Center. This Access Center will, for the first time, link over twelve agencies through a single toll-free number so that Native American callers can receive access to information about federal programs for economic development. The purpose of the Access Center will be to answer questions in a problem-solving manner rather than requiring callers to be familiar with specific federal programs. The Access Center will also have a website.

— **Technical Assistance Funding for the Tribal Colleges.** The budget proposes to set aside \$1 million out of the Revenue Aligned Budget Authority for the tribal colleges to do outreach to help Native Americans access federal funds.

— **New Markets Investments Initiative.** The United States is currently in the midst of the longest peacetime expansion in its history. The strength and duration of this expansion has helped bring economic opportunity to millions of people once cut off from the economic mainstream. But too many urban and rural areas, and Native American reservations, have not participated in this growth. These areas have tremendous potential as New Markets. The President's expanded New Markets initiative will spur \$22 billion in new capital investment in businesses in these economically distressed areas through a package of tax credits and loan guarantees. The package includes the following components:

- **More Than Doubling the New Markets Tax Credit** – The President proposes to more than double the New Markets tax credit to spur \$15 billion dollars in new investment in community development in economically distressed areas. An entity making new equity investments in a selected community development project would be eligible for a tax credit worth 25 percent of the cost of the investment. A variety of vehicles providing equity and credit to businesses in underserved areas would be eligible. The total cost of the tax credits amounts to about \$5 billion over 10 years.
- **Expanded Empowerment Zones** – The proposed expanded wage credits, tax incentives, and new round of urban and rural EZs will extend and improve economic growth in the 31 existing urban and rural Empowerment Zones, administered by HUD and USDA, and support the proposed third round of 10 new empowerment zones to be designated in 2001. The total cost of these proposals will be \$4.4 billion over 10 years.
- **America's Private Investment Companies (APICs)** - Modeled after the Overseas Private Investment Corporation's (OPIC) successful investment fund program, APICs would provide guaranteed debt to private investment companies, licensed by HUD, to help leverage private equity capital and lower the cost of capital for investments in low- and moderate-income communities. For every dollar that private investors provide, the government will guarantee two

dollars in debt to expand the APIC's pool of capital available for making investments and enhance the return on those investments to the private investors. APICs will make equity investments in larger businesses that are expanding or relocating in inner cities and rural areas.

- **New Market Venture Capital Firms (NMVCs)** – The President is asking for \$51.7 million in his 2001 budget to allow SBA to match equity investment and technical assistance funds to finance 10-20 new investment partnerships – New Markets Venture Capital Firms -- selected to provide both long-term growth capital and expert guidance to entrepreneurs who need both in order to transform their small businesses and great ideas into thriving companies.
- **Other Elements of New Markets** - Other elements include: increasing the funding for SBA's microenterprise lending program; creating PRIME--a program providing technical assistance to low-income entrepreneurs; boosting CDFI funding; expanding support for BusinessLINC to encourage large businesses to work with small businesses in new markets; and establishing a New Markets University Partnerships pilot project which, under the auspices of HUD, would provide universities with funding to develop local community partnerships, assistance to intermediaries, and technical and business development assistance to new and existing firms. In addition, to better serve Native American communities, the President proposes additional funding to expand the New Markets initiative to Indian Country, which are described herein.

Protecting Sovereignty and Promoting Self-Determination.

— **Tribal Contracting and Self-Governance.** BIA and IHS will continue to promote Tribal self-determination through local decision-making. Tribal contracting and self-governance compact agreements now represent 41 percent of BIA's operations budget, and forty-two percent of IHS' budget. The self-governance agreements give Tribes greater flexibility to administer Federal programs on reservations.

— **Bureau of Indian Affairs (BIA) Contract Support Costs.** Within the overall BIA increase, the budget continues to support Tribal self-determination by proposing \$134 million, a \$9 million or 7 percent increase over 2000 for contract support costs. This funding provides \$5 million for new and expanded contracts and \$129 million for existing contracts.

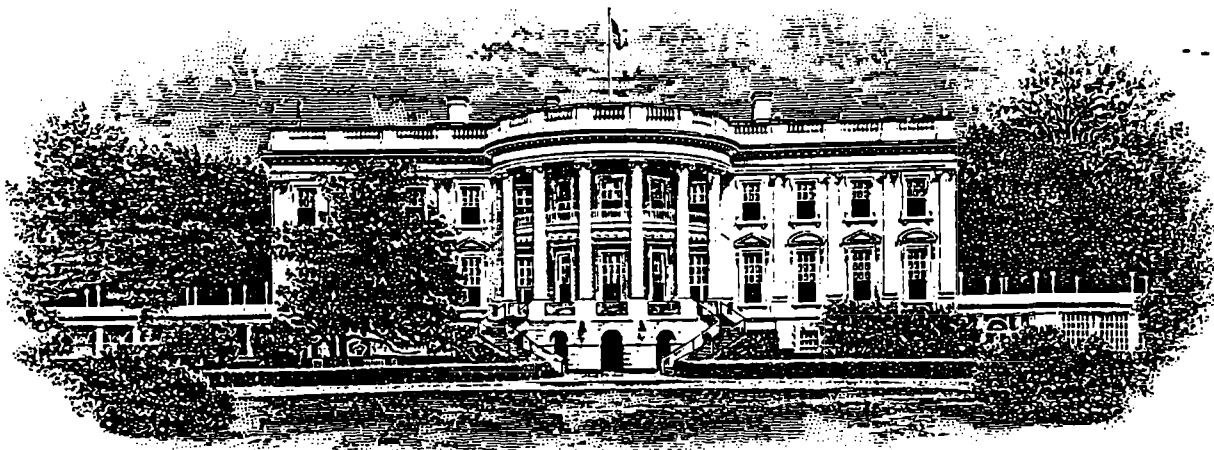
— **Trust Services.** The Administration is committed to improving trust services and management through its trust reform efforts at the Interior Department. The budget proposes \$108 million, a 48 percent increase over 2000, for improved trust services in the BIA for activities such as probate, real estate appraisals, and other services.

— **Indian Trust Fund Balances.** The Administration is committed to resolving disputed Indian trust fund account balances through informal dispute resolution and supports the unique government-to-government relationship that exists in Indian trust land management issues. After Tribal consultations, BIA submitted its "Recommendations of the Secretary of the Interior for Settlement of Disputed Tribal Accounts" to Congress in November 1997. Legislation reflecting these recommendations was proposed in 1998, but not enacted. The Department will continue efforts to resolve trust fund account balances.

— **Trust Land Management.** As part of BIA's commitment to resolving trust land management issues, Interior worked with Congress in 1999 to repropose legislation (S. 1586) to establish an Indian Land Consolidation program to address the ownership fractionation of Indian land. Interior began implementing three pilot projects in Wisconsin, in cooperation with Tribes, to purchase small ownership interests in highly fractionated tracts of land from willing sellers. In the nine months of this effort, more than 8,000 small ownership interests have been consolidated. The budget proposes \$13 million in 2001 for this program, and Interior will work with Congress to get legislation enacted in the 106th Congress, limiting future fractionation.

— **Trust Management Improvement Project.** In addition to the \$13 million for the Indian Land Consolidation program, the budget provides \$83 million for DOI's Office of Special Trustee, including the trust management improvement project. Current activities include verifying individual Indian's account data and converting these data to a commercial-grade accounting system. Ownership, lease, and royalty information related to the underlying trust assets will also be verified and converted to a recently acquired commercial asset management system.

THE WHITE HOUSE
WASHINGTON
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF THE CHIEF OF STAFF



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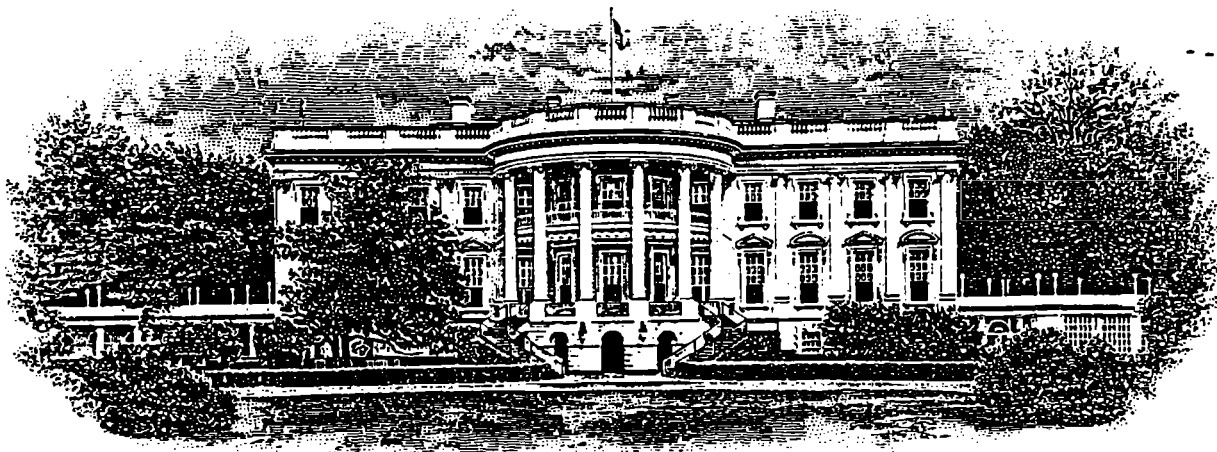
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Message: Per our discussion.

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Mickey Ibarra

08/08/2000

P L I NARY
FY 2001 FEDERAL FUNDING FOR SELECTED MAJOR
GOVERNMENT-WIDE NATIVE AMERICAN PROGRAMS*

(Budget Authority, in millions of dollars)

	Approps Bills	FY 1999 Actual	FY 2000 Enact. Adj.**	FY 2001 Request	Latest*** House	House vs. Request	Latest*** Senate	Senate vs. Request
Department of Health and Human Services								
Indian Head Start	(Labor/HHS/ED)	130	147	175	158	(17)	175	0
Indian Health Service (Budget Authority)	(Interior)	2,240	2,391	2,620	2,443	(178)	2,534	(87)
Indian Health Service (Total Program Level) 1/.....		[2,650]	[2,830]	[3,060]	[2,882]	[-178]	[2,973]	[-87]
Contract Support		204	229	269	229	(40)	244	(25)
ACF: ANA - Tribal Commercial Code/Energy Dvlpmnt Grants	(Labor/HHS/ED)	35	35	44	35	(9)	40	(4)
Administration on Aging	(Labor/HHS/ED)	18	18	24	18	(5)	23	(0)
Department of the Interior								
Bureau of Indian Affairs.....	(Interior)	1,746	1,869	2,201	1,881	(320)	2,088	(113)
Operation of Indian Programs		1,584	1,640	1,795	1,657	(138)	1,707	(88)
School Operations		476	467	507	472	(35)	479	(28)
Therapeutic Model		--	--	8	0	(8)	0	(8)
FACE		6	6	12	6	(7)	6	(6)
Tribal Colleges Operation		31	35	38	36	(2)	38	(0)
Road/Bridge Maintenance		26	26	32	26	(6)	27	(5)
Housing Improvement		16	16	32	9	(23)	16	(16)
Contract Support and ISD		115	125	134	125	(9)	130	(4)
Law Enforcement Initiative		99	141	160	141	(19)	152	(8)
Trust Services		73	73	108	88	(19)	85	(23)
School Construction, Repair, Maintenance		60	133	300	120	(180)	277	(23)
Bonding Initiative		--	--	30	0	(30)	0	(30)
Office of Special Trustee and Land Consolidation	(Interior)	66	95	95	87	(8)	93	(2)
Department of Housing and Urban Development								
Native American Housing Block Grant	(VA/HUD)	693	693	725	693	(32)	N/A	(725)
Native American Housing Block Grant		620	620	650	620	(30)	N/A	(650)
Title VI Loan Guarantee		[6]	[6]	[5]	[6]	[+1]	N/A	[5]
Indian Homeownership Intermediary Initiative		--	--	[5]	[0]	[-5]	N/A	[5]
Indian Community Development Block Grant		67	67	69	67	(2)	N/A	(69)
Native American Business Access Center		--	--	[2]	[0]	[-2]	N/A	[2]
Tribal Colleges Initiative		--	--	[5]	[0]	[-5]	N/A	[5]
Indian Housing Loan Gurantee		6	6	6	6	0	N/A	(6)
Department of Transportation								
Indian Reservation Roads and Bridges	(Transportation)	284	250	375	258	(117)	292	(83)
Indian Reservation Roads and Bridges		264	232	349	240	(109)	274	(75)
Job Access		--	--	5	0	(5)	0	(5)
Tribal Colleges Technical Assistance		--	--	1	0	(1)	0	(1)
Construction Skills Training		--	--	1	0	(1)	0	(1)
Highway Safety Grants		1	1	2	1	(1)	1	(1)

P L I NARY
FY 2001 FEDERAL FUNDING FOR SELECTED MAJOR
GOVERNMENT-WIDE NATIVE AMERICAN PROGRAMS*

(Budget Authority, in millions of dollars)

	Approps Bills	FY 1999 Actual	FY 2000 Enact. Adj.**	FY 2001 Request	Latest*** House	House vs. Request	Latest*** Senate	Senate vs. Request
Department of Education	(Labor/HHS/ED)	1,530	1,627	1,706	1,688	(18)	1,744	38
School Renovation Initiative		--	--	50	0	(50)	0	(50)
Impact Aid - Public School Construction		5	5	5	0	(5)	0	(5)
Native American Teacher Corps		--	10	10	10	0	10	0
Native American Administrator Corps		--	--	5	0	(5)	5	0
Tribal College Capacity Building		3	6	9	12	3	10	1
Inter-agency Tribal Colleges Initiatives		43	57	67	61	(6)	62	(5)
Department of Commerce	(C/J/S)	7	20	56	17	(39)	16	(40)
Economic Development Administration		3	17	49	15	(34)	15	(34)
Small Business Administration	(C/J/S)	0	0	6	0	(6)	5	(1)
Native American Small Business Development Centers (SBDCs) 2/.....		--	--	3	0	(3)	3	0
Tribal Business Information Centers (TBICs) 2/.....		0	0	2	0	(2)	2	1
BusinessLINC 3/.....		--	--	1	0	(1)	0	(1)
Department of the Treasury								
Comm. Dev. Financial Institutions	(VA/HUD)	0	0	5	5	0	N/A	(5)
National Science Foundation	(VA/HUD)							
Tribal College Initiative		--	--	10	10	0	N/A	(10)
Department of Agriculture	(Agriculture)	197	198	229	215	(14)	218	(11)
Rural Community Advancement Program.....		12	12	24	12	(12)	24	0
Tribal Colleges Endowment, Interest, & Payments to 1994 Instit.....		9	10	14	13	(1)	14	0
Reservation Agents		2	2	5	2	(3)	3	(3)
Department of Justice/Department of the Interior Law Enforcement Initiative		281	336	439	248	(191)	352	(87)
DOJ, Law Enforcement	(C/J/S)	182	195	279	107	(172)	200	(79)
DOI, Law Enforcement	(Interior)	99	141	160	141	(19)	152	(8)
Environmental Protection Agency	(VA/HUD)	159	170	188	175	(13)	N/A	(188)
General Assistance Program		43	43	53	53	0	N/A	(53)
Department of Energy (Tribal Energy Program)	(Energy/Water)	5	4	5	2	(3)	7	2

FOOTNOTES:

*Table includes funding for programs specific to Native Americans and set-asides for Native Americans within larger programs.

**The FY 2000 Enacted Adjusted column does not include one time expenses that would skew comparisons with other fiscal years' funding levels.

***The FY 2001 Congressional decisions, in many cases, are based on information available as of 07/28/00. Many programs are formula-driven; the level provided is an estimate and may change.

1/ Includes budget authority plus collections from Medicare, Medicaid, private insurance, quarters, and \$30 million from HCFA for a Special Diabetes Initiative.

2/ Senate allocation includes amounts requested, but does not explicitly earmark funds for the Native American Programs Initiative. The \$3m requested for SBDCs requires authorization; the \$1.5m for TBIC

3/ Senate allocation includes \$285K for BusinessLINC; however, because it rounds less than \$500K it is not reflected on the table.

N/A - Not available; funding levels being determined or no Congressional action to-date.

Native Am Budget Initiative - 8/7/00

List: ~~THE~~ Lynn, Mary, Adrienne, Mark, NEC (Cliff Kelly), OPC
IGA

Energy Proposal - have OMB review ^(*)

Priorities / P.R. purposes

School Construction

Health care

Law Enforcement

Subal College / Digital Divide

Agency priorities

BIA priority is to see if their priority

PRELIMINARY
FY 2001 FEDERAL FUNDING FOR SELECTED MAJOR
GOVERNMENT-WIDE NATIVE AMERICAN PROGRAMS*

(Budget Authority, in millions of dollars)

	Approps Bills	FY 1999 Actual	FY 2000 Enact. Adj.**	FY 2001 Request	Latest*** House	House vs. Request	Latest*** Senate	Senate vs. Request
Department of Health and Human Services								
Indian Head Start	(Labor/HHS/ED)	130	147	175	158	(17)	175	0
Indian Health Service (Budget Authority)	(Interior)	2,240	2,391	2,620	2,443	(178)	2,534	(87)
Indian Health Service (Total Program Level) 1/.....		[2,650]	[2,830]	[3,060]	[2,882]	[-178]	[2,973]	[-87]
Contract Support		204	229	269	229	(40)	244	(25)
ACF: ANA - Tribal Commercial Code/Energy Dvlpmnt Grants	(Labor/HHS/ED)	35	35	44	35	(9)	40	(4)
Administration on Aging	(Labor/HHS/ED)	18	18	24	18	(5)	23	(0)
Department of the Interior								
Bureau of Indian Affairs.....	(Interior)	1,746	1,869	2,201	1,881	(320)	2,088	(113)
Operation of Indian Programs		1,584	1,640	1,795	1,657	(138)	1,707	(88)
School Operations		476	467	507	472	(35)	479	(28)
Therapeutic Model		—	—	8	0	(8)	0	(8)
FACE		6	6	12	6	(7)	6	(6)
Tribal Colleges Operation		31	35	38	36	(2)	38	(0)
Road/Bridge Maintenance		26	26	32	26	(6)	27	(5)
Housing Improvement		16	16	32	9	(23)	16	(16)
Contract Support and ISD		115	125	134	125	(9)	130	(4)
Law Enforcement Initiative		99	141	160	141	(19)	152	(8)
Trust Services		73	73	108	88	(19)	85	(23)
School Construction, Repair, Maintenance		60	133	300	120	(180)	277	(23)
Bonding Initiative		—	—	30	0	(30)	0	(30)
Office of Special Trustee and Land Consolidation	(Interior)	66	95	95	87	(8)	93	(2)
Department of Housing and Urban Development								
	(VA/HUD)	693	693	725	693	(32)	N/A	(725)
Native American Housing Block Grant		620	620	650	620	(30)	N/A	(650)
Title VI Loan Guarantee		[6]	[6]	[5]	[6]	[+1]	N/A	[5]
Indian Homeownership Intermediary Initiative		—	—	[5]	[0]	[-5]	N/A	[5]
Indian Community Development Block Grant		67	67	69	67	(2)	N/A	(69)
Native American Business Access Center		—	—	[2]	[0]	[-2]	N/A	[2]
Tribal Colleges Initiative		—	—	[5]	[0]	[-5]	N/A	[5]
Indian Housing Loan Guarantee		6	6	6	6	0	N/A	(6)
Department of Transportation								
	(Transportation)	284	250	375	258	(117)	292	(83)
Indian Reservation Roads and Bridges		264	232	349	240	(109)	274	(75)
Job Access		—	—	5	0	(5)	0	(5)
Tribal Colleges Technical Assistance		—	—	1	0	(1)	0	(1)
Construction Skills Training		—	—	1	0	(1)	0	(1)
Highway Safety Grants		1	1	2	1	(1)	1	(1)

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BusinessLINC 3/.....		—	—	1	0	(1)	0	(1)
Department of the Treasury								
Comm. Dev. Financial Institutions	(VA/HUD)	0	0	5	5	0	N/A	(5)
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N/A - Not available; funding levels being determined or no Congressional action to-date.

8-8-00

THE WHITE HOUSE

WASHINGTON

August 4, 2000

*copied
Entire Report
Cutler
Podesta
Echaveste*

MEMORANDUM FOR THE PRESIDENT

THROUGH: JOHN PODESTA

FROM: LYNN CUTLER *Lyn*

CC: MARIA ECHAVESTE

SUBJECT: WEEKLY REPORT

PINE RIDGE YOUTH CENTER

JP
Should try to
Plan - (think someone will support)

- Secretary Cuomo broke ground for the construction of the youth center you proposed at Pine Ridge this week. We'll still try for an event with you in September to "bless" this project.

ENERGY INITIATIVE

Good

- Secretary Richardson is proposing a whole new initiative to bring energy and power to Indian country. If this legislation passes, we may have a chance at improving the terrible statistics about electricity coverage in Indian country. The bill would authorize the creation of an Indian energy grants program and Indian energy office within DOE. I am attaching the analysis because of your concern about the current situation and because this seems to be such a good start. The Secretary has transmitted it to the Speaker. You may have an opportunity to discuss it with the Speaker on your trip to Colombia.

IOWA STATE UNIVERSITY AND TRIBAL COLLEGES

- Four tribal colleges are receiving help from Iowa State University to strengthen environmental and natural resource studies programs. They are doing this under a Higher Education Challenge Grant of \$221,000 from USDA. It's a big help to the tribal colleges in developing programs to preserve soil, water, prairies and forestland, as well as wildlife and animal ecology.

WASHINGTON POST ARTICLE

- I was pleased that Judy Mann, columnist for the Post, agreed to do a column on the plight of American Indians. I'm attaching a copy for you. Lots of people around the country saw it and we've heard from them.

8-8-00

MEMORANDUM FOR THE PRESIDENT
PAGE TWO

CDFI AND INDIAN COUNTRY

- I had a briefing yesterday from the people at CDFI at Treasury about a major study they are undertaking to determine the barriers to lending in Indian Country and the steps to be taken to remove those barriers. They have just completed thirteen workshops around the country with tribal leaders, banks, non-profit organizations and others. Each workshop produced lists of the biggest impediments. Treasury is now compiling all of this data and a final report will be produced.

9/2/00

Section-by-Section Analysis

Section 1. Short Title

This section gives the short title of the bill.

Section 2. Findings

This section sets forth the Congressional findings. They note that the federal government shares a role in protecting tribal sovereignty; that cooperative tribal-federal efforts can improve tribal governmental infrastructure in a manner beneficial to both the tribal communities and their surrounding non-tribal localities; that the Department of Energy is uniquely suited to coordinate interagency efforts to develop Indian energy resources; that it is critical for Indian tribes to have access to energy sources and supplies; that significant numbers of Indian households do not have access to reliable energy services; and that the United States must work with Indian tribes towards securing appropriate power supplies to support tribal economic and community growth.

Section 3. Purposes

This section provides that the purposes of the Act are to: (1) establish an Office of Indian Energy Policy and Programs to coordinate federal energy policy, research and programs concerning Indian tribes and related entities, and (2) establish Indian energy grant programs.

Section 4. Comprehensive Indian Energy Program

This section would add a new section 2607 to the Energy Policy Act of 1992.

Subsection (a) of the added section defines "Director" to mean the Director of the Office of Indian Energy Policy and Programs, which is established by section 5 of this Act and defines "Indian land."

Subsection (b)(1) would require the Director to establish programs to assist Indian tribes to meet their energy needs in the areas of education, research and development, planning, and management. While this subsection would mandate that the energy programs focus on education, research and development, planning, and management issues, the primary component of these programs would be the grant component, which is described in further detail in the paragraphs that follow.

Subsection (b)(2) would authorize a competitive grant program for tribal renewable energy programs, programs to increase energy efficiency in tribal buildings, tribal energy development projects, and studies to determine whether it is feasible for tribes to acquire and operate electrical facilities. It also would authorize grants to tribes for the planning, construction, development, and improvement of electrical energy generation, transmission, and distribution facilities and for help in securing power allocations from the Federal Power Administrations and developing tribal power projects, including small scale hydropower projects.

Subsection (b)(3) would allow the Director to develop a formula for distributing grant funds. Indian tribes must be consulted in the development of a grant distribution formula. The Director and the Indian tribes may choose to look at the amount of Indian land owned by Indian tribes, the number of households on this land, and the number of households that either have no or inadequate electricity service.

Subsection (b)(4) would provide that in making a grant for planning, construction, development, and improvement of electrical energy generation, transmission, and distribution facilities that special consideration be given to tribes that do not have adequate current electrical service.

Subsection (b)(5) would authorize appropriations of the sums necessary to carry out the purposes of the Act.

Subsection (c)(1) would extend the preference authorized by the Buy Indian Act to all agencies and departments in purchasing or selling energy products and by-products which are produced, converted or transferred on Indian lands. The types of energy products or by-products that would be covered by this provision include, but are not limited to, electricity, oil, gas, and coal. The preference would cover expressly energy and resource production businesses which are at least majority owned and controlled by Indians or tribal governments and their tribal enterprises.

Subsection (c)(2) would prohibit agencies and departments from paying more than the prevailing market price for energy products and by-products when using the authority granted under subsection (c)(1).

Subsection (d) would make it clear that this section does not limit the discretion vested in an Administrator of a federal Power Administration to market and allocate federal power. The section also would not alter federal laws under which a Federal Power Administration markets, allocates, or purchases power.

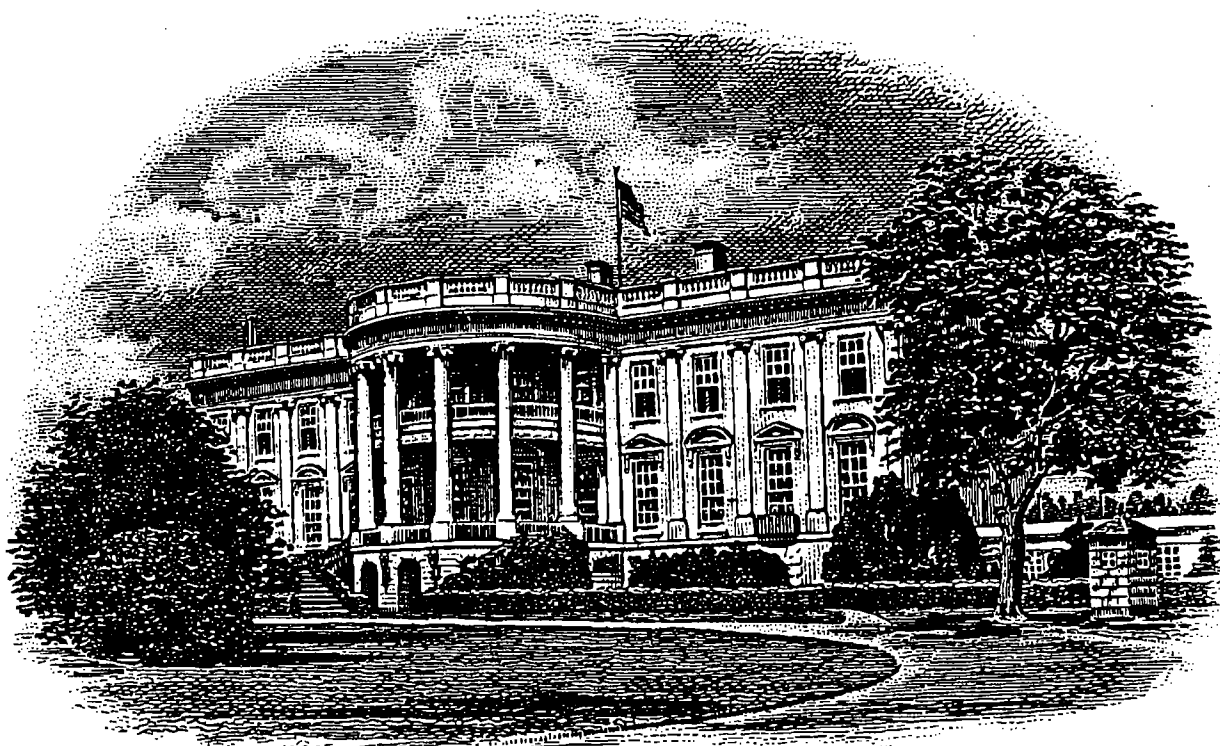
Section 5. Office of Indian Energy Policy and Programs

This section would add a new section 217 to the Department of Energy Organization Act to establish a new Office of Indian Energy Policy and Programs, which would be headed by a Director. The Director of this new Office would be appointed by the Secretary, and compensated at level IV of the Executive Schedule. This section also would assign the Director the duty of establishing a program to help tribes plan their energy needs and usage in a way that promotes tribal energy efficiency, modernizes tribal infrastructure, promotes tribal sovereignty, lowers energy costs, and electrifies tribal homes.

Section 6. Conforming Amendments

This section would make several conforming amendments, including amending the Energy Policy Act of 1992 to enable the Office of Indian Energy Policy and Programs to continue the demonstration programming activities authorized under the 1992 Act.

THE WHITE HOUSE
OFFICE OF INTERGOVERNMENTAL AFFAIRS



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