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Prepared Statement

**FY2002 Appropriations for the Departments of Commerce,
Justice, State, the Judiciary and Related Agencies**

**House Appropriations Subcommittee on Departments of Commerce,
Justice, State, the Judiciary and Related Agencies**

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INTRODUCTION

My name is Susan Masten, and I am Chair of the Yurok Tribe of Northern California and President of the National Congress of American Indians (NCAI). On behalf of NCAI's 250 member tribal nations, I am pleased to have the opportunity to present testimony regarding the President's budget request for FY2002 Indian programs and services within the Departments of Commerce and Justice.

Last year, Congress enacted a final FY2001 budget that included a total of \$9.4 billion for critical Indian programs. This total, a \$1.1 billion increase over FY2000, represented the largest increase ever for Indian programs and brought together over a dozen agencies to help address some of the needs of Indian nations.

The last time the federal government enacted an increase of a similar scope was in the mid-1970's as part of President Nixon's self-determination policy. Self-determination has been and continues to be the most successful federal policy toward Indian Nations. Under it, tribal governments have local control over programs and are able to fulfill needs and solve problems more quickly and efficiently than through a top-down federal approach.

For FY2002, the President has proposed \$1.96 trillion in FY2002 spending, including a four percent increase in discretionary spending over FY2001. While this increase - which is slightly higher than inflation - seems positive, it is important to note that it is only half the 8.5 percent gain enacted last year. Furthermore, proposed budget for the Department of Interior is four percent less than the FY2001 enacted level.

The President's Blueprint for New Beginnings fails to provide many substantive, agency-level details about the FY2002 budget request. Until these details become available through the release of more comprehensive agency budgets, it is extremely difficult to gauge the impact of the

proposed FY2002 budget on programs that serve American Indians and Alaska Natives. However, I will address the proposed funding levels that are available and to highlight those programs that we believe are critically important to Indian nations.

As Congress begins the appropriations process for FY2002, NCAI seeks the support of this Subcommittee in fully funding Indian programs within the Departments of Commerce and Justice.

Department of Commerce

Office of Native American Business Development

In November 2000, the Native American Business Development, Trade Promotion, and Tourism Act of 2000 was enacted. This Act creates within the Department of Commerce an Office of Native American Business Development, which will provide coordination and assistance to Native Americans in the areas of business development and trade promotion. The purpose of the Office is to ensure the coordination of federal programs that provide assistance for increased business, the expansion of trade, and economic development on Indian lands. We fully support the realization of this Office in a timely fashion and, in accordance with NCAI Resolution #STP-00-091, endorse any funding requests by the Commerce Department and other federal agencies to further its objectives and activities.

Minority Business Development Agency

For nearly thirty years, the Department of Commerce Minority Business Development Agency's (MBDA) has been assisting Indian tribes to create sustainable economic development through its Native American Programs (NAP) by establishing Native American Business Development Centers (NABDC) throughout Indian Country. Since a majority of tribal communities are located in rural and remote areas of this nation, which often accounts for the significant lack of economic opportunities available to them, NABDC's are one of the few entities that have direct contact with tribes and tribal communities. The MBDA has established nine MBDCs on tribal lands, focusing primarily on providing technical assistance for the growth of Indian-owned and operated business enterprises.

Instead of creating additional NABDCs, the MBDA expanded its digitally-based business development services. As such, it introduced four electronic tools that are available to minority businesses to increase their access to domestic markets. If the MBDA continues to increase its digitally-based business development services without providing the basic technical assistance that Native American businesses require, Native American businesses will continually be left behind.

In FY2001, MBDA funding was frozen at its FY2000 level of \$27 million. For FY2002, NCAI continues to request additional funding for the MBDA to create additional NABDCs to meet the growing need for tribal business assistance.

National Telecommunications and Information Administration

In order to bridge the telecommunications gap, Congress last year provided \$45.5 million to the National Telecommunications and Information Administration (NTIA) for its Technology Opportunities Program (TOP), formerly known as the Telecommunications and Information Infrastructure Assistance Program (TIIAP). This program promotes the widespread use of advanced telecommunication and information technologies in both the public and non-profit sectors. TOP provides competitive matching grants to state, local, and tribal governments and non-profit entities to help them develop information infrastructures and services for under served communities. As the development of economic opportunities in Indian Country moves forward, NTIA and TOP are playing a significant role in the establishment of the information superhighway in tribal communities. NCAI supports maintaining the current TOP funding level for FY2002.

Also under the NTIA is the Public Telecommunications Facilities Program (PTFP). This program supports the expansion and improvement of public telecommunications services by providing matching grants for equipment and the dissemination of noncommercial educational and cultural programs. In FY2001, \$43.5 million was allocated to the program. PTFP has assisted in the delivery of public radio and television to Indian Country. To help ensure that this important work continues, NCAI supports funding at least \$110 million to promote tribal telecommunications and economic development opportunities throughout this nation's rural and disadvantaged tribal communities.

Economic Development Administration

NCAI is concerned over the proposed \$77 million cut to the EDA, which would bring its funding level down to \$335 million. The EDA has demonstrated its responsiveness to tribal requests for financial assistance for economic development projects, despite the fact that the economic development needs of tribes far outstrip the available EDA resources. Per NCAI Resolution #STP-00-127, NCAI recommends a significant increase to the EDA budget so that it may provide increased financial assistance to tribal economic development projects.

Small Business Administration

Several years ago, the Small Business Administration (SBA) established Tribal Business Information Centers (TBIC) to provide technical assistance and information to existing and new Indian businesses. The initial funds established 17 TBICs concentrated in five states; however, no resources have been provided to establish new centers needed to serve additional Native American populations. In accordance with NCAI Resolution #STP-00-110, we urge \$10 million be appropriated to develop and expand the TBIC program.

In FY2001, \$88 million was provided to Small Business Development Centers (SBDC) for education, training, and consulting to existing and prospective small businesses. NCAI requests that Congress create a \$3 million Indian set-aside from the \$88 million budget request for FY2002.

NCAI opposes the proposal to eliminate BusinessLINC and the New Markets Venture Capital Program. In FY2000, \$7 million was appropriated to establish BusinessLINC, which matches small businesses with established businesses to encourage learning, information sharing,

networking, and collaboration. NCAI firmly believes that this type of program will continue to create interest from non-Indian business to invest and support new business in Indian Country and recommends that a \$1.5 million Indian set-aside be created.

The budget request also eliminates the New Markets Venture Capital program, which received \$37 million in FY2001. Program participants would generate \$150 million of leverage at a 14.44 subsidy rate to fund 10 to 20 New Market Capital organizations. These New Market Capital organizations are intended to provide growth capital and technical assistance in order to transfer small businesses into thriving companies. NCAI supports this program and strongly urges language to be inserted for specific assistance to Native American businesses.

Department of Justice

Pursuant to the federal trust responsibility, the United States has an obligation to maintain public safety and criminal justice in Indian Country by supporting tribal law enforcement and justice systems. Despite being the smallest segment of the Nation's population, American Indians are more than twice as likely to be the victims of violent crime than any other race, according to statistics released on March 18, 2001, by the Department of Justice (DOJ). The latest statistics are the second set of numbers DOJ has compiled about violence in Indian Country. American Indians experienced the highest rates of overall and serious violent crimes regardless of the locality of residence considered.

Last year, Congress made a major commitment to improve law enforcement in Indian Country by appropriated \$254.1 million to fund the multi-year joint DOJ and Department of Interior (DOI) initiative to fight crime and bolster judicial systems in Indian Country. The \$104.5 million on DOJ funding and the \$149.6 million in a DOI law enforcement funding will go far in addressing the current public safety crisis on tribal lands. NCAI fully endorses the commitment to increasing the number of police officers and improving the quality of detention facilities in Indian Country. As such, we support the continuation of the following programs at their FY2001 funding levels or higher:

In the U.S. Attorneys Office, \$5 million and 33 attorneys for investigative and prosecutorial efforts in Indian Country;

For tribal courts, \$8 million to assist tribal governments in the development, enhancement, and continuing operation of tribal juvenile justice systems;

For Title V Grants for Local Delinquency Prevention, \$12.5 million to serve Indian youth by developing, enhancing, and supporting tribal juvenile justice systems;

For the State Correctional Facilities Grant Program, \$34 million to construct or expand adult and juvenile correctional facilities and jails in Indian Country;

In the Community Oriented Policing Service (COPS), \$40 million for additional law enforcement officers, equipment, and training; and

For alcohol and substance abuse grants, \$5 million to support tribal detention and probation projects, as well as training, technical assistance, research, and evaluation.

The Office of Tribal Justice (OTJ) and the Office of Justice Programs both serve Indian Country in many ways, most notably, through the multitude of grant programs that have recently been extended to tribal governments. These grant programs cover areas such as Corrections Programs, Drug Courts, Violence Against Women, Domestic Violence, Child Victimization Enforcement, and Juvenile Justice and Delinquency Prevention, just to name a few. Although some discretionary grant programs provide funding for tribal needs, such as the STOP Violence Against Women Discretionary Grant Program's four percent set-aside for tribes and tribal organizations, there are many other programs that do not. We seek support from this Committee in obtaining similar direct funding initiatives for all programs that have a significant impact on tribal governments.

Finally, we urge the Committee to consider a recommendation to make the Office of Tribal Justice (OTJ) a permanent office within the Justice Department. Since 1995, OTJ has had notable success in promoting government-to-government relations and has gained wide acceptance and support throughout the federal government and among tribes. It is critical that OTJ be made an independent component within the Justice Department because it performs significant and wide-ranging responsibilities in Indian Country.

CONCLUSION

We urge the Congress to fulfill its fiduciary duty to American Indians and Alaska Native people and to preserve the government-to-government relationship, which includes the fulfillment of health, education and welfare needs of all Indian tribes in the United States. This responsibility should never be compromised or diminished because of any political agenda or budget cut scenario. Tribes throughout the nation relinquished their lands as well as their rights to liberty and property, and we ask that the Congress maintain the federal trust responsibility to Indian Country and continue to assist tribes on the road toward self-sufficiency. Thank you.