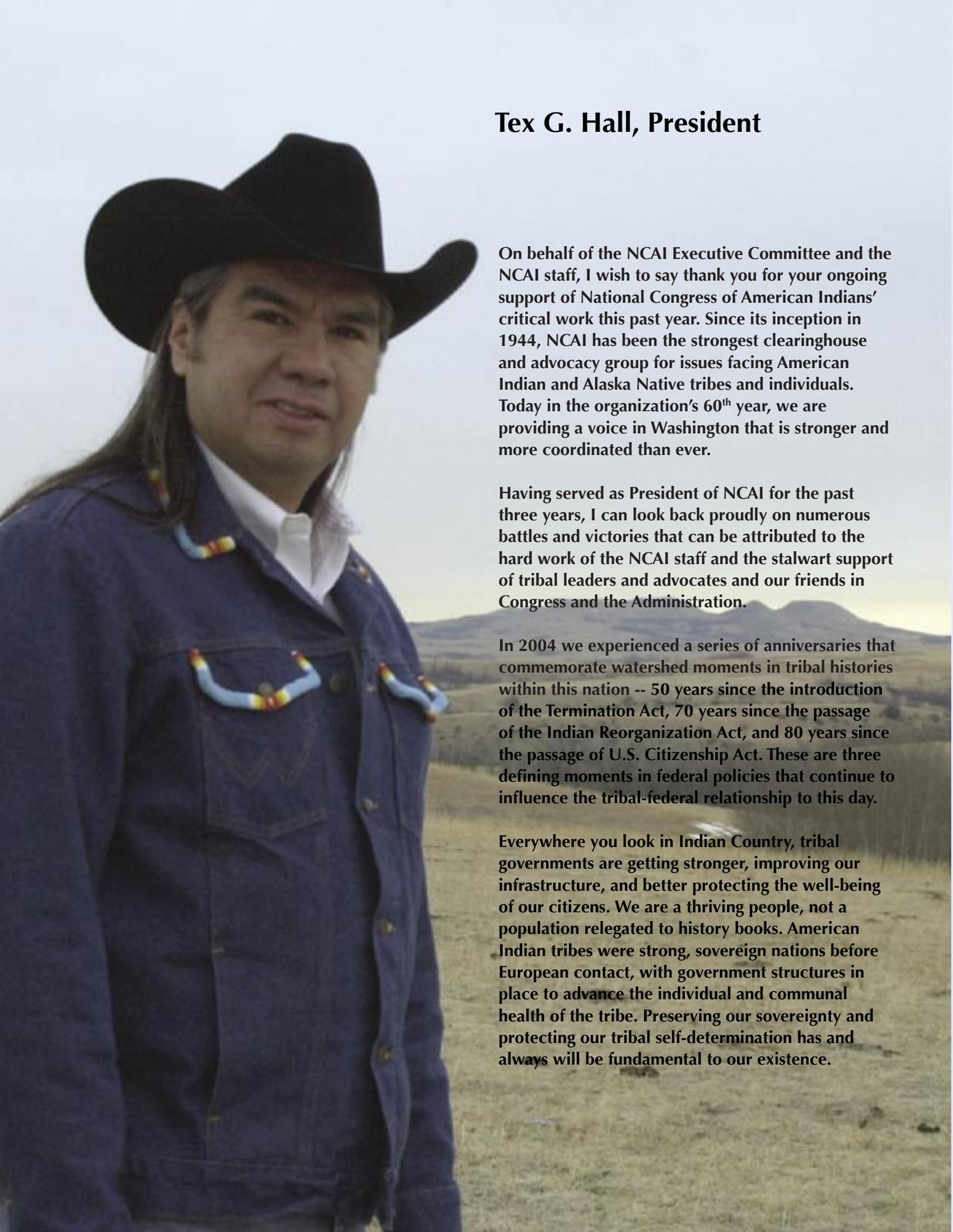




2004 Annual Report

National Congress of American Indians



Tex G. Hall, President

On behalf of the NCAI Executive Committee and the NCAI staff, I wish to say thank you for your ongoing support of National Congress of American Indians' critical work this past year. Since its inception in 1944, NCAI has been the strongest clearinghouse and advocacy group for issues facing American Indian and Alaska Native tribes and individuals. Today in the organization's 60th year, we are providing a voice in Washington that is stronger and more coordinated than ever.

Having served as President of NCAI for the past three years, I can look back proudly on numerous battles and victories that can be attributed to the hard work of the NCAI staff and the stalwart support of tribal leaders and advocates and our friends in Congress and the Administration.

In 2004 we experienced a series of anniversaries that commemorate watershed moments in tribal histories within this nation -- 50 years since the introduction of the Termination Act, 70 years since the passage of the Indian Reorganization Act, and 80 years since the passage of U.S. Citizenship Act. These are three defining moments in federal policies that continue to influence the tribal-federal relationship to this day.

Everywhere you look in Indian Country, tribal governments are getting stronger, improving our infrastructure, and better protecting the well-being of our citizens. We are a thriving people, not a population relegated to history books. American Indian tribes were strong, sovereign nations before European contact, with government structures in place to advance the individual and communal health of the tribe. Preserving our sovereignty and protecting our tribal self-determination has and always will be fundamental to our existence.

Jacqueline Johnson, Executive Director

The National Congress of American Indians has come an extraordinarily long way in 61 years. I want to thank each and every one of you for the role you have played in bringing our organization to its current status as the largest and most influential American Indian and Alaska Native organization in the country.

Tribes face new opportunities and challenges today that we could not have dreamed of 61 years ago, and no doubt the political climate and the needs of tribes will continue to evolve over the years. However, NCAI's core purpose has remained the same: tribes must unite in a collective voice to address the shared challenges we face. This shared voice for sovereignty, fulfillment of federal trust responsibilities, and solutions to improve the well-being of American Indian and Alaska Native people nationwide is critical to the survival of our people into the generations to come.

This shared effort to ensure thriving tribal nations into future generations has led NCAI to spearhead an ambitious Native Vote 2004 non-partisan voter registration and get-out-the-vote campaign in Indian Country over the past year. Reversing historically low voting rates is crucial to ensuring long-term commitment and accountability from our national leaders, and it is critical that we capitalize on recent victories by tribal communities in impacting state and local elections by coordinating and documenting a strong Native Vote in the November 2 elections.

Another key effort this year has been NCAI's role in supporting events in conjunction with the dedication of the National Museum of the American Indian on the National Mall in Washington, DC. The museum opening was a truly historic moment, as thousands of Native people from North, Central, and South America converged on the Nation's Capitol to usher in a permanent national entity to recognize native contributions to the United States. NCAI welcomes the museum to Washington, and we believe this exciting addition to the Smithsonian museums will go a long way toward educating the public on the reality of contemporary tribal nations as thriving governments communities with greatly varied, flourishing cultures.

NCAI's continued presence in Washington, DC ensures that tribes have a collective means to engage in the political process where it is needed most, developing unified strategies for approaching troubling trends in court decisions on tribal jurisdiction, and working to shepherd in a new era of improved trust relationship with the federal government. On behalf of the NCAI staff and the generations of American Indian and Alaska Native people whose lives are impacted by the work that we do, I thank you for all that you do to support this organization.





The National Congress of American Indians founding members in 1944.

About the National Congress of American Indians

The National Congress of American Indians (NCAI), founded in 1944, is the oldest, largest and most representative national Indian organization. NCAI serves the needs of a broad membership of Indian and Native governments, organizations and people.

The founding members of NCAI stressed the need for unity and cooperation among American Indian governments and people, protection of treaty and sovereign rights, and efforts to promote improved quality of life for Indian people. From its modest beginnings with some 100 members, NCAI has become the leading American Indian and Alaska Native membership organization, now serving a diverse network of nations with a combined participation representing more than three quarters of the American Indian and Alaska Native national population.

The NCAI is organized as a representative Congress to establish a consensus on national priority issues. Tribal governments pass laws to become members of NCAI, selecting official delegates to the NCAI Convention, Executive Council, and Conferences. The delegates debate and deliberate on issues of pressing concern at NCAI forums, presenting viewpoints in accordance with their governments' policies, goals and needs. NCAI has led and participated in a range of coalitions with other Indian national and regional organizations, business interests, environmental and civil rights groups, legal and other professional organizations, and other entities to support the goals of NCAI's broad based membership.

“Today we - America’s half million Indians - stand at a fork in the trail. The time has come for all of us to choose the way we will travel. In one direction is the downhill trail we have followed since our lands were invaded more than a century ago. This way, marked by the laws of an oft-blind government, leads to ignorance, poverty, disease and wasted resources. The new trail - the way of self-help - leads toward a better life, toward adequate education, decent income, good health, and wise use of our precious natural wealth.”

**-- Clarence Wesley, former NCAI President
During Discussion On Termination Proposal**



NCAI Executive Director Helen Peterson (right) meets with legal consultants during the termination crisis in 1954.

The 50th Anniversary of NCAI’s Fight Against Termination

In February of 1954, the tribal leaders of the National Congress of American Indians launched their fight to stop termination. NCAI organized the “Emergency Conference on Federal Legislation” in Washington, DC, which stopped the federal push to terminate all Indian tribes and launched a new era of tribal self-determination. The 2004 NCAI Annual Convention will honor the incredible leadership of that time, and reflect on our need to stay unified to protect tribal rights.

In early 1954, Congress introduced the first batch of twelve bills that would have terminated the Indian tribes of Florida, Texas, New York and California, as well as the Flathead, Makah, Sac and Fox, Kickapoo, Potawatami of Kansas, Turtle Mountain Chippewa, Klamath and the Menominee. From Feb. 25-28, 1954, in the middle of the Congressional hearings on these bills, NCAI held an emergency conference in Washington DC as an offensive to stop termination. The meeting was an incredible success, galvanizing tribal opposition to termination, educating Congress and the Administration, and generating a great deal of media attention. The conference produced a “Declaration of Indian Rights” that made a very strong statement against termination. Perhaps more importantly, it established the principle that tribes must be informed and must give their consent before passing any legislation that would affect their rights. This principle is very much alive today in Indian Affairs, but not many people know that it originated with this document.

The fight against termination was also critical because for the very first time it demonstrated the effectiveness of coordinated tribal advocacy, and it established NCAI as the unifying forum for tribal governments. NCAI has stood the test of time, in part, because of its early success in the fight against termination.

Native Vote 2004



In recent years, American Indian and Alaska Native voters have begun to flex their muscle at the polls, reversing historically low voting rates to become a critical voting constituency throughout a number of states. NCAI is working to reinforce this important shift through a Native Vote 2004 initiative that includes a range of related non-partisan, coordinated efforts to ensure that American Indian and Alaska Native people truly have a voice in the political process.

To date, the NCAI Education Fund has successfully generated unprecedented momentum and enthusiasm for voter mobilization throughout Indian Country with its Native Vote campaign.

- Native Vote bumper stickers, buttons, and posters are being requested by the thousands in communities nationwide.
- We have encouraged every tribe in the nation to designate a Native Vote coordinator, and have reached out to urban Indian organizations to ensure that the 50% of American Indian and Alaska Native voters who reside outside reservation communities are also mobilized to vote.
- The NCAI Ed Fund has created a communications system for tribal Native Vote liaisons and other interested parties to coordinate voter outreach efforts, providing information on primary dates, education on laws relating to voter education and outreach, voter rights information, and voter mobilization strategies to these partners in the field.
- Native Vote staff members have held numerous training sessions throughout Indian Country to help ensure that tribal Native Vote coordinators have the information and tools necessary to take on the challenge of voter registration and GOTV efforts in their communities.
- To the extent possible, the NCAI Ed Fund has passed through grant funding to specific organizations and projects working at the grassroots level in Indian Country whose efforts stand to significantly impact overall Native Vote totals.
- The Native Vote campaign has worked to encourage statewide and regional coordination among entities working in Indian Country to ensure that there is not duplication of efforts, all areas of the state or region are covered, and voters are not oversaturated with duplicative contacts from numerous organizations.
- The NCAI Ed Fund has launched a nativevote.org website that has generated tens of thousands of hits in the months since it was first made available.
- NCAI has worked with the Native American Bar Association and the Lawyers Committee for Civil Rights Under Law to coordinate placement of attorneys and law students at polling sites throughout Indian country to ensure that voter rights are upheld.



NCAI Executive members Kevin Seneca, Jacqueline Johnson and Tex Hall meet with Senators Hillary Clinton (D-NY), Tom Daschele (D-SD), and Byron Dorgan (D-ND). (Photo by Frank King, Native Voice)

Voter registration efforts are well underway, and we are seeing promising results in voter registrations to date among NCAI's Native Vote partners. In only a month and a half, the Northern Plains voter registration project has registered 1600 new Indian voters, with a goal of reaching 5000 before the registration deadline. The Native Peoples' Political Alliance of Colorado has registered 150 Indian Voters and is working to reach a significant number of the remaining 3,500 American Indians who are unregistered in Colorado. The Cherokee Nation has registered more than 25,000 new voters since 2000. The Native American Voters Alliance of New Mexico has increased the number of registered Native voters from 2200 to just under their goal of 5000.

The NCAI Ed Fund is also working to provide specific information and technical assistance to organizations seeking to undertake GOTV efforts in Indian Country or with urban Indian populations, and has provided several grassroots organizations with pass-through grants to directly support non-partisan GOTV efforts in key tribal communities. We are also working to encourage as many tribes as possible to shift tribal elections and initiatives to coincide with Election Day, a shift that has helped a number of tribes to greatly increase voter turnout in state and national elections.



Cheyenne River Sioux Color Guard participates in the procession of nations during the opening of the Smithsonian's National Museum of the American Indian. Senator Ben Nighthorse Campbell (R-CO), a longtime proponent of the museum, led the procession down the National Mall in Washington, DC.

Ben Nighthorse Campbell (R-CO)

National Museum of the American Indian Opening

NCAI was proud to partner with the Smithsonian's National Museum of the American Indian (NMAI) for a series of public events during the week of the Museum's dedication on September 21st. The NMAI opening attracted thousands of Native people from North, Central, and South America to Washington, DC for the Museum's dedication. This once in a lifetime event afforded tribes an opportunity to celebrate native cultures throughout the Americas and bring Indian issues to the forefront of public attention.

During the week of the NMAI opening, NCAI hosted a two-day Social Dance and cultural exchange for all of the tribal groups in DC, creating an opportunity for sharing of tribal dances, songs, and other traditions by native people who were visiting the nation's capital. NCAI also hosted a successful rally at the U.S. Capitol. Under a theme of Living Cultures, Thriving Governments, NCAI invited congressional leaders and tribal leaders from across Indian Country to raise the profile of important tribal issues.

NCAI hosted two educational forums at the National Press Club designed to reflect American Indian contributions to the United States and show a more comprehensive picture of today's tribal governments. NCAI also hosted a series of congressional briefings to educate key Capital Hill staff and media on funding disparities in Indian Country; current issues in tribal governance; and the reauthorization of key human service acts in Congress. NCAI also held a special reception to honor members of the Native American Caucus and the House Resources Committee.

Tribal Sovereignty Protection

In 2001, the U.S. Supreme Court issued its decisions in Nevada v. Hicks and Atkinson Trading Co. v. Shirley and clearly demonstrated an accelerating trend toward limiting tribal sovereignty. The Tribal Sovereignty Protection Initiative was spearheaded by NCAI and tribal leaders from across the nation on September 11, 2001, as a national tribal effort to improve tribes' collective advocacy before the federal courts, to engage in public education about tribal governance, and to consider legislation to reaffirm tribal jurisdiction.

Tribal Supreme Court Project – Victory in U.S. v Lara!

The Tribal Supreme Court Project is staffed by the National Congress of American Indians and the Native American Rights Fund, and functions as an open working group of tribal attorneys. The Project promotes greater coordination and improved strategy on litigation that may affect the rights of all tribes.

By far the biggest success of the year was the terrific result in U.S. v. Lara, where the Supreme Court upheld tribal criminal jurisdiction over nonmember Indians and Congress's authority to reaffirm tribal inherent sovereignty – the so-called Duro Fix. Significantly, the opinion keyed into arguments made in the Supreme Court Project's tribal amicus briefs. The Project also successfully solicited a supportive amicus brief from eight state Attorneys General. The Supreme Court Project played a crucial role in winning this extremely important case on tribal sovereignty.

The Project also played a key role in U.S. v. Santee Sioux and U.S. v. Seneca-Cayuga – working closely with the attorneys for the Santee Sioux Tribe and coordinating with the National Indian Gaming Association. On March 1, 2004, the U.S. Supreme Court denied the federal government's petitions for certiorari in both cases. This is an important victory for tribes because it safeguards the viability of Class II gaming as a source of revenue for Indian tribes. Specifically, both cases held that tribes may use electronic pull tab readers as a "technologic aid" to Class II gaming. These cases underscore that we can have a very positive impact by focusing our resources and protecting favorable lower court opinions.

In pending cases, the Project has coordinated an amicus strategy and NCAI filed a brief in City of Sherrill v. Oneida Indian Nation of New York. This case will determine whether local governments may tax Oneida reservation land that was sold in violation of the Non-Intercourse Act and subsequently reacquired by the Oneida. The case may also have important implications for tribes throughout the country, particularly regarding the definition of "Indian Country" and reservation diminishment.

NCAI also submitted a brief in Cherokee v. Thompson, where the Supreme Court will decide whether Indian tribes are entitled to enforce self-determination contracts in federal court when federal agencies breach the terms of those contracts. The case is important to all Indian tribes, since every tribe in the country has one or more self-determination contracts with the Indian Health Service or the Bureau of Indian Affairs. This is the first opportunity for the U.S. Supreme Court to consider the enforceability of the Indian Self Determination Act.

In Carcieri v. Norton, the U.S. Court of Appeals for the First Circuit is



NCAI rally on Capitol Hill.



NCAI Executive Director Jacqueline Johnson speaks at a Capitol Hill press conference in opposition to judicial nominee William Myers.

considering Rhode Island's broad challenge to the authority of the Secretary of Interior to take land into trust for a tribe under Section 5 of the Indian Reorganization Act (IRA). Highlighting the significance of this case, a group of ten state Attorneys General submitted an amicus brief against land to trust authority. NCAI coordinated with the Narragansett Tribe and organized the drafting of a tribal amicus brief. Importantly, for the first time the U.S. consented to argument time for NCAI, and we were able to represent the interest of tribes at oral argument.

We are tracking a lot more cases, and the Project is doing good work. We continue to encourage cooperation and conservative litigation strategies by the tribes. We would like to thank Riyaz Kanji, Esq. and Ian Gershengorn, Esq. for their generous pro bono contributions to the Project.

Legislative Efforts in Tribal Sovereignty

While the TSPI initially considered legislation that would broadly reaffirm tribal sovereignty, the effort has turned toward addressing specific jurisdictional issues and problems in Indian country. NCAI has been working hard on four key issues:

Homeland Security – Indian tribes govern 260 miles of international border and vast lands that contain dams, bridges, missile silos, power plants and a great variety of infrastructure that could be the target of a terrorist attack. Like other governments, tribal governments need to develop the capacity to respond to threats of terrorism including access to information and information warning systems, law enforcement data bases, and health alert systems. NCAI has been hard at work on several legislative vehicles to ensure that tribes get the funds, authority and coordination necessary to address these threats.

Criminal Jurisdiction – In March, NCAI President Tex Hall hosted a meeting with tribal leaders and U.S. Attorney General Thomas Heffelfinger, Chairman of the of the U.S. Attorney General's Advisory Committee on Native American Issues. This meeting began a dialogue on criminal jurisdiction in Indian country and an effort to develop solutions. U.S. Attorney Bill Mercer from Montana also attended, along with Departments of Interior, Justice, and Senate Committee on Indian Affairs staff. Tribal leaders and the federal officials discussed problems with fractured jurisdictional rules, high violent crime rates, lack of prosecution, drug trafficking and gangs, non-Indian offenders, and lack of respect for tribal police and courts. Heffelfinger is continuing his dialogue with tribal leaders and preparing to develop a proposal for clarification and simplification of the criminal jurisdiction rules in Indian Country.

Violence Against Women and Domestic Violence - NCAI is working with a coalition of Indian women's advocacy groups on the 2005 reauthorization of the Violence Against Women Act. We expect that the legislation will be introduced late in 2004. American Indian women are victimized at a rate higher than any other group in the United States, including a rape/sexual assault victimization rate more than three and a half times higher than the national rate. Nine out of ten rape or sexual assault victims indicate the offender was non-Indian. In June, NCAI adopted resolutions that support amendments to the Violence Against Women Act to increase the response to violence against American Indian and Alaska Native women.

Streamlined Sales Tax Project – The Streamlined Sales Tax Project is an extremely significant effort by state governments to create a nationwide sales tax collection system. The impetus for the change is the huge growth in internet sales, but states are working to change the rules for the collection of all sales taxes on a nationwide basis. To date, the states have not considered the role that tribal governments and tribal sales taxes would play. NCAI Tax Subcommittee Co-Chair Arlen Melendez and NCAI staff met with the National Conference of State Legislators in July to bring tribal issues to their attention. The meeting was very positive, and the co-chairs of their committee are expected to attend NCAI's upcoming annual meeting.

Public Education and Outreach – William Myers Confirmation Stopped

The Education and Public Outreach committee is developing a public outreach strategy to educate federal, state, and local legislators, along with the general public, on the importance of tribal self-government, demonstrating that the co-existence of tribal government with federal and state governments is positive and necessary for both Indian people and the larger U.S. public.

One of the key victories this year was in July when the Senate voted down the confirmation of William G. Myers to a permanent position as a federal judge on the Ninth Circuit Court of Appeals. As Solicitor of the Department of the Interior for the first two years of the Bush Administration, Myers was the architect of a rollback of protections for sacred native sites on public lands that are central to the culture and religions of many American Indian people. While NCAI has generally remained neutral on administrative and judicial nominations, deep concerns from tribal leadership regarding the proposed nomination of William Myers to the Ninth Circuit Court of Appeals resulted in a resolution of the membership of the organization in opposition to the Myers nomination. NCAI took a lead role in civil rights community efforts to block this controversial nominee, helping to plan a press conference on Capitol Hill, meeting with numerous congressional offices, placing op-eds in the press providing background on the proposed nominee and tribes' opposition. In Senate debate on the nomination, NCAI's resolution and the active opposition of the tribes, including the Quechan Tribe, won the day on this critical judicial appointment. On July 20th, 2004, the nomination was blocked.

NCAI is also working with the Mohegan Tribe to improve NCAI's and Indian Country's communication infrastructure. As a component of the TSPI education and outreach effort, the Tribe donated extensive staff time to retool NCAI's website and improve the organization's capacity to take advantage of current technology to coordinate tribal efforts.

Taxation and Sovereignty

NCAI is continuing its work on tax issues that affect tribal governments. This year NCAI created a new Tax Subcommittee to focus solely on tax issues. We hope that this subcommittee can also coordinate with the National Intertribal Tax Association.

Internet Tobacco – NCAI has devoted a great deal of time and effort to protecting tribal sovereignty in the debate over internet tobacco. The sale of tobacco over the internet has become a controversial issue, and both the Senate and the House have aggressively pushed bills that would strengthen the Jenkins Act. Tribes have had serious concerns about provisions that would waive tribal sovereign immunity. In the Senate version, S. 1177, NCAI worked closely with legislators and developed provisions that protect sovereign immunity and existing law on tribal taxing authority. The House version, H.R. 2824, continues to have very troubling language that would subject tribes to law suits from state governments. Neither bill appears to be heading for passage at this time, but the legislation has a lot of support and bears careful monitoring.

IRS Consultation Policy – The Internal Revenue Service distributed a proposed Tribal Consultation Policy to the leadership of all federally recognized tribes in September. The consultation policy outlines a communication protocol for “all IRS programs policy initiatives, administrative guidance, rule making or similar actions . . . that may affect federally-recognized Indian Tribal governments.” The policy also charges the IRS Office of Indian Tribal Governments with the responsibility for consultation oversight and an assessment of the policy. The IRS will be at the NCAI Annual meeting to discuss the policy with tribal leaders.

Big Victory for Reservation Generated Value – In a very significant victory for tribal sovereignty, the Prairie Band of Potawatomi have won a ruling in the 10th Circuit that states cannot tax the tribal sale of motor fuels to non-Indians when the tribe is not marketing a tax exemption but has created its own on-reservation market. The Prairie Band built its gas station primarily to service casino customers who would not otherwise be on the reservation, and charged a tribal tax rate equal to the state’s rate. This is a very significant case that should allow tribes to explore a new area of revenue generation. However, it is also likely to be appealed, and tribes will need to work together to protect this decision.

Trust Reform

Tribal leaders have raised sharp concerns with the Department of Interior’s reorganization of trust management functions, which is widely viewed as creating a large bureaucracy in the Office of Special Trustee (OST) that will do little to deliver trust services in Indian country. NCAI is working with Congress on addressing these concerns through shifts in appropriations to the Department. The Secretary’s request for OST is being whittled down considerably, and the Senate Interior bill directs funding specifically to the Great Plains region, the area that is hit the hardest by fractionation of land. NCAI has repeatedly urged Congress to support a tribally driven process of conducting needs assessments and developing agency specific plans for trust implementation.

At the same time, NCAI has found common ground with the Administration and Congress on addressing the core issue in trust reform – fractionation of individual ownership. The Senate has passed S. 1721, the Indian Land Consolidation Act Amendments. The bill has been reported out by the House Resources Committee, and we expect final approval by the end of the year. The bill is supported NCAI Resolution #ABQ-02-115. S. 1721 will tackle fractionation by providing a new federal probate code that will limit fractionation and promote estate planning. In particular, the “single heir” rule for small intestate interests will put a cap on the growth of fractionation. The bill will also allow tribes and individual owners to acquire and consolidate highly fractionated interests, and it expands and makes permanent the federal land acquisition program.

Finally, NCAI is continuing to play an important role representing tribal interests as an amicus party in the Cobell litigation. In 2003, the Court invited NCAI to submit additional amicus briefs during the course of the litigation to inform the Court of tribal interests not represented by the parties. In September of this year, NCAI submitted a brief regarding the Court's freeze on individual trust land transactions. NCAI argued that tribal land acquisitions should not be affected by the freeze because of independent tribal authority for land acquisition under the Indian Land Consolidation Act.

Federal Appropriations

In answer to a resounding call from tribal leadership, NCAI has stepped up its efforts to address the continuing shortfalls in federal funding for U.S. trust responsibilities to tribal governments. The federal budget process historically has failed to reflect tribes' priorities, from the formulation and justification of budgets, to the President's request levels, to the dance of the dollars in Congressional appropriations-



NCAI Regional Vice President Ed Thomas delivers Appropriations update on Capitol Hill

-despite the well-established U.S. trust responsibility. To ensure tribes' goals, needs, and priorities are voiced throughout the federal budget process, NCAI provided increased technical assistance to the BIA/Tribal Budget Advisory Council, participated in FY 2006 BIA and DHHS budget formulation and consultation meetings, contributed Congressional testimony on tribal funding in the President's FY 2005 budget request, monitored all tribal programs throughout the FY 2005 appropriations process, and coordinated Congressional briefings on Indian Country funding disparities. In the face of a Department of Interior reorganization diverting precious resources away from tribal programs and shrinking Tribal Priority Allocation budgets, NCAI and tribes continued to battle for increased dollars for self-determination programs and enhancing tribes' ability to assume local control.

In an effort to formulate a comprehensive and proactive response to chronic underfunding of tribes, NCAI facilitated a national tribal budget strategy session in April 2004. Several issue-specific tribal organizations met and agreed upon an overarching strategy for coordinated appropriations advocacy in the years to come. The strategy consists of delivering a consistent, unified message on tribal budget priorities; determining 3-4 focus areas annually across all tribal programs for which to seek meaningful increases; and instituting mechanisms for creating strong, data-based supporting documentation for tribal budget needs.

NCAI Second Annual State of Indian Nations Address

NCAI this year continued what the organization intends to make an annual tradition of delivering a comprehensive address to the nation on the state of American Indian and Alaska Native tribal affairs. Delivered on January 21, 2004 in Washington, DC, the second annual State of Indian Nations address emphasized the need for a better public understanding of tribal sovereignty, which would allow Americans to feel the weight of the treaties made between our nations and the United States. It also spoke to the need for improved funding of American Indian programs critical to improving living conditions for American Indians, including education, health care, infrastructure, and law enforcement, through federal appropriations that honor of the U.S. government's trust responsibility to tribes.



NCAI President delivers the second annual State of Indian Nations Address.

Contract Support Costs

This was a historic year in the ongoing tribal campaign to enforce the Indian Self-Determination Act's promise to fully fund contract support costs. The US Supreme Court granted certiorari in two cases affecting the federal funding of contract support costs, critically important to the enforceability of Self-Determination contracts and compacts as well as the integrity of government contracts. In *Cherokee Nation and Shoshone Paiute Tribes v. Thompson* and in *Thompson v. Cherokee Nation*, NCAI in conjunction with the Tribal Supreme Court Project has worked together with the attorneys representing Cherokee Nation and Shoshone Paiute to ensure that the U.S. Supreme Court will rule that Indian tribes and other tribal contractors are not treated as "second class" government contractors, but are entitled to enforce their contracts in federal court when federal agencies breach the terms of those contracts.

NCAI also provided testimony before the Senate Indian Affairs Committee on S. 2172, a bill to amend the Indian Self-Determination Act to pressure the Administration and Congress to fully fund contract support cost requirements. On the agency side, a joint federal/tribal workgroup developed a comprehensive contract support cost policy for recognizing all contract support cost requirements (both "direct" and "indirect"), and for allocating appropriations to meet those requirements. With almost all Tribes involved in BIA contracting or compacting activities, the proposed new BIA policy could potentially improve substantially the manner in which such contracts and compacts are funded.

NAGPRA and Sacred Sites Protection

NCAI has continued to support the efforts of the Sacred Lands Protection Coalition and the NCAI Commission on Repatriation and Burial Sites Protection in 2004. NCAI delegates passed several resolutions in support of sacred lands protection and cultural and religious freedom protection efforts this year, and NCAI has been in communication with Administration officials regarding efforts to jumpstart the critical work of the NAGPRA Commission. NCAI staff continues to monitor relevant legislation and provide tribes with information and updates.

Telecommunications

In February of 2004, NCAI, on behalf its the Telecommunications Subcommittee and in coordination with the Consumer & Governmental Affairs Bureau of the Federal Communications Commission (FCC), hosted the 2nd Annual FCC-NCAI Dialogue on Improving Telecommunications Access in Indian Country meeting on February 26th at the FCC Headquarters in Washington, DC. The Dialogue provided an opportunity for NCAI subcommittee members and Tribal representatives to meet with senior officials and decision makers from across the FCC to discuss how Indian Country and the FCC can work together in the coming year on tribal outreach and regulatory policymaking. NCAI looks forward to working with the FCC and Tribes in future Dialogues.

With support from NCAI, the Senate Committee on Indian Affairs favorably reported the Native American Connectivity Act (S.2382) to the full Senate for consideration. The bill would establish a flexible block grant program that seeks to further tribal self-determination by authorizing grants to tribal communities for planning, research, and development of telecommunications capabilities. In May of 2004, NCAI Telecommunications subcommittee Chair, J.D. Williams, testified before Congress on behalf of NCAI in strong support of the legislation. NCAI will continue to monitor the progress of this legislation and advocate for its passage in the 108th Congress.

The General Accountability Office is completing a report on accessibility of telecommunications in Indian Country. The extensive report will be completed sometime next year. NCAI is helping and advising government researchers as they gather data.

Transportation Infrastructure Development

Infrastructure development in Indian Country – particularly the transportation infrastructure critical for improved quality of life and economic development in tribal communities -- continues to be a substantial area of concern for NCAI. NCAI is a participant in the, and continues to advocate for the inclusion of tribal funding in existing national programs that improve transportation safety and planning.

NCAI continues to work hard in tandem with its Tribal Transportation Equity Act (Tribal TEA-21) Reauthorization Task Force to ensure that tribal provisions are fairly represented in the reauthorization of the TEA-21 Transportation Bill. Past legislative indifference has led Indian Reservation Roads to be the most undeveloped road network in the nation; NCAI pushed efforts to increase funding for the 56,000 mile system of IRR roads and the extremely under funded Indian Reservation Road Programs. NCAI also held briefings with the Democratic Policy Committee regarding increasing TEA-21 tribal provisions, and collected letters of support from Tribal leaders to propel Indian Country's transportation agenda.

In addition to activity on the TEA-21 reauthorization, NCAI has advocated for increased federal support for key transportation programs via increased appropriation amounts among all federal agencies dealing with Indian Country. These programs include the Department of Interior programs to improve tribal maintenance, as well as an NCAI effort to establish direct funding for tribes under the National Highway Traffic Safety Administration and under the Federal Transit Authority budgets



NCAI President Tex Hall speaks at the Native American Journalists Association.

Tribal Economic Development

NCAI has continued to support a range of comprehensive efforts to promote economic development in tribal communities. NCAI supported Senate legislation S.519, The Native American Capital Formation and Economic Development Act of 2003, introduced by Sen. Campbell, to establish a Native American-owned financial entity to provide financial services to tribes, and Native American organizations. The Native American Capital Development Corporation would have provided assistance and expertise in developing Native American financial

institutions, improving mortgage lending on tribal lands, and obtaining capital investments. NCAI testified before the Senate Committee on Indian Affairs in hearings on S.519. The desire for a feasibility study led to the amendment of the legislation, which is now titled The Indian Tribal Development Corporation Feasibility Study Act of 2004. The group will conduct a study to determine the feasibility of establishing an Indian Tribal Development Corporation. NCAI will continue to monitor this legislation as it moves forward.

Workshops have been held at NCAI Midyear and Annual sessions on financial literacy in tribal communities, telecommunications infrastructure development, tribal economic summit planning, tribal investment strategies, merchant banking, and other economic development, banking, and finance issues. Leadership from the World Bank attended our Annual Session to discuss development strategies. NCAI has provided oral testimony on a range of economic development measures, and supported tribal provisions in the year's major tax bill advancing in Congress. While there is controversy around the overall legislation, the Senate version contains six provisions that would directly aid reservation economic development. The most important of these is the provision that would give tribes the same powers as states and local governments to issue tax exempt bonds. The bill also contains special provisions for funding school construction, New Markets tax credits. NCAI worked to secure reauthorization of the Indian employment tax credit and accelerated depreciation for business property on Indian reservations.

Joint Resolution of Apology to Native People

During the 108th Congress, Senator Brownback (R- KS) introduced a bill cosponsored by Senators Campbell (R-CO) and Inouye (D-HI), Chair and Vice Chair of the Senate Committee on Indian Affairs that has become known as the Apology Resolution. The resolution's stated purpose is to "acknowledge a long history of official depredations and ill-conceived policies by the United States Government regarding Indian tribes and offer an apology to all Native Peoples on behalf of the United States."

While tribal leaders welcomed the spirit of this effort, many concerns arose about process and strategy for approaching such a monumental task as addressing the nation's past wrongs to native people.

In addition to work with congressional staff on resolution language, NCAI solicited responses to the proposed language, facilitated discussion among tribal leadership at the NCAI Mid-Year meeting on a range of concerns related to the timing and process of advancing this measure, and shared with Congressional staff potential outcomes that the language might have on litigation and Administrative policy in Indian Country. We continue to work with congressional offices to ensure that any apology that is advanced is in keeping with the wishes of the tribes who have been harmed by past policies, and in the spirit of healing and redress of past – as well as present – wrongdoing by the U.S. government in its relations with tribes

International Indigenous Law and Policy

NCAI remains active as a participant in the development of law and policy on behalf of Tribal governments in the field of the International law and diplomacy. NCAI continues to develop agreements, foster relationships, and provide analysis in partnership with the Assembly of First Nations, as an NGO active in the drafting process for the United Nations and Organization of American States' Declarations on the Rights of Indigenous Peoples, and in its role as the sole tribal organization working with the Office for the Security and Co-operation in Europe as part of the United States delegation of national organizations headed by the Leadership Conference on Civil Rights Education Fund.

NCAI and the Assembly of First Nations renewed and strengthened an historic agreement for cooperation and kinship during the NCAI 2004 Mid-Year meeting. The agreement calls for NCAI and the largest national organization of First Nations governments in Canada to maintain a formal relationship in an effort to address issues of international indigenous rights, boundary considerations that impact economic development and trade among tribes, and other issues of shared concern.

Improving Education for American Indian and Alaska Native

American Indian and Alaska Native students continue to struggle in the face of limited funding for tribal schools and challenges in addressing unique needs of Native students in public school curricula—but NCAI is working hard to ensure that no Indian child is left behind in this time of educational change. President Bush signed Executive Order No. 13336 on American Indian and Alaska Native Education on April 30, 2004, an effort that was the culmination of several years of support work from NCAI, the National



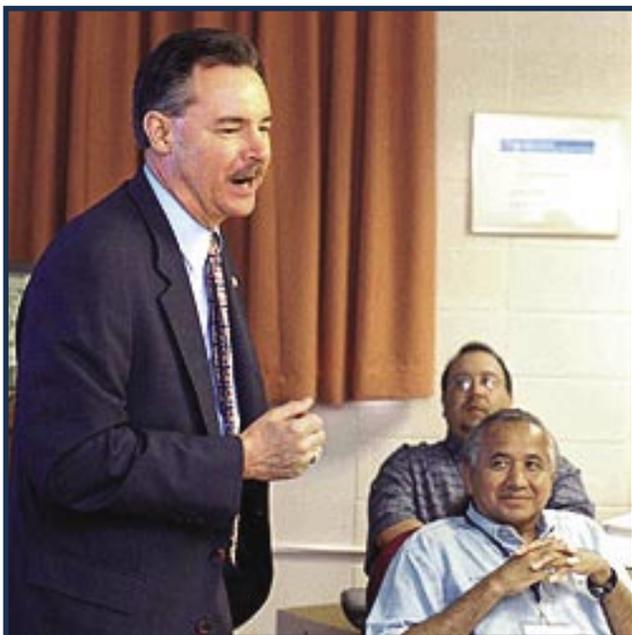
George W. Bush signs the Executive Order on American Indian and Alaska Native Education

Indian Education Association (NIEA), and tribal leaders and school boards from throughout Indian Country. NCAI is participating in the Interagency Workgroup on the Implementation of the Executive Order, and is organizing and helping to facilitate tribal consultations on the implementation of the Executive Order in order to ensure that the educational needs of American Indian and Alaska Native children are met.

The NCAI hosted Tribal Education Department Forums at the 2004 Executive Winter Session and the 2004 Mid-Year conference in an effort to provide information and assistance to tribes in developing these important links in the effort to promote improved education for Native students. NCAI also held a breakout session on "Integrating Cultural Standards for Indigenous Education" at its Midyear session, which focused on how to improve the education of Indigenous children, while preserving cultural and linguistic integrity. NCAI staff attended the National Indian Education Association's annual Legislative Summit, where they continued work to strengthen the partnership between the two organizations.

Health Care and Human Needs in Indian Country

Adequate health care and services to address related human needs in Indian Country remain a profound priority for tribal governments. This year, NCAI and the U.S. Department of Health and Human Services' Administration for Children and Families (ACF) held a formal Tribal Consultation Session on ACF Programs with top ACF officials and program directors. NCAI also participated in and helped to facilitate the U.S. Department of Health and Human Services Sixth Annual Tribal Budget Consultation Meeting on the 2006 Budget. NCAI played a key role by assisting with the planning of the consultation, presenting opening tribal remarks and moderating the session. NCAI President Tex Hall also presented tribal remarks at the FY 2006 Indian Health Service-Tribal Budget Consultation, where tribal representatives from each of the 12 service areas presented their area's budget priorities to IHS Director Dr. Charles Grim. NCAI held a breakout session on health disparities facing Indigenous Peoples at the organization's Mid-Year Session in Connecticut, and continues to work closely in partnership with the National Indian Health Board to advance the goals of improved healthcare for Indian Country.



NCAI Director of Emergency Management Robert Holden (seated) participates in a Tribal Response Emergency Preparedness workshop.

Homeland Security and Emergency Preparedness

In an effort to revive tribal homeland security legislation that stalled in the first session of the 108th Congress that would provide direct funding to tribal governments, NCAI assisted in crafting tribal-friendly language in other emergency responder funding bills, and endorsed separate legislation creating an Office of Tribal Security within the Department of Homeland Security.

NCAI is working with the National Native American Law Enforcement Association on a Tribal Border Security Pilot Project to develop a model tribal program for tribal governments. NCAI also conducted two Tribal Response Emergency Preparedness workshops during this fiscal year. One of the workshops was national in scope and the second was conducted for various tribal department personnel of the Eastern Band of Cherokee Indians. Under a cooperative agreement with the DHS Security Federal Emergency Management Agency, NCAI held a GIS tribal disaster mitigation planning workshop. In addition, NCAI staff assisted in two sessions of emergency planning courses conducted by the National Emergency Training Center's Emergency Management Institute, and traveled to the DHS Center for Domestic Preparedness training center to discuss delivery of terrorism training at tribal sites.

Environmental Protection

NCAI has continued its efforts to advance effective environmental protection and sensible natural resource development opportunities for tribal governments. NCAI hosted a Critical Environmental Issues Update meeting at the Executive Council Winter Session which was attended by key federal agency officials and congressional staff, and coordinated two meetings between tribal leaders and the EPA Administrator, Michael Leavitt. NCAI coordinated tribal response to congressional efforts to divert GAP funding from Alaska Native tribes to the state of Alaska. NCAI also submitted written comments on the EPA's announcement for proposed rulemaking and final proposed mercury rule, and submitted written comments to the U.S. Forest Service regarding proposed improvements allowing expansion of the facility and the use of reclaimed wastewater to make snow on the San Francisco Peaks in Flagstaff, Arizona. NCAI testified before the Senate Energy and Natural Resources Committee on how the Western drought is affecting Indian tribes, and submitted written testimony on two pending water bills in the same committee.

NCAI staff delivered the keynote address at the EPA Tribal Operations Caucus meeting at the Miccosukee Tribe's casino in March, and continued coordinated work with the National Tribal Environmental Council (NTEC), participating in the NTEC Annual conference and working with NTEC to develop coordinated strategies on federal appropriations work.

NCAI Hosts Successful Winter Session in Washington D.C.

Hundreds of tribal leaders and representatives came to Washington, D.C., February 23-25, 2004, to participate in NCAI's annual Executive Council Winter Session focused on the importance of political engagement at the national level by tribal leaders, advocates, and individuals. The session addressed critical issues impacting our nations in the remaining months of the 108th Congress, and provided an opportunity for tribal leaders and advocates to visit congressional offices to discuss current legislative issues of concern. The theme of the session was "Native Vote 2004- Political Empowerment" and included the Annual Leadership Awards Banquet.

Mid-Year Conference held in Indian Country on Mohegan Tribal Lands

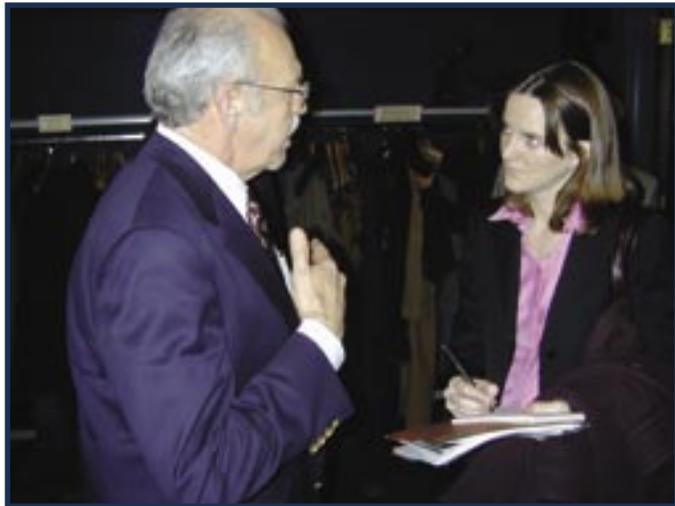
The Mid-Year Conference was hosted by the Mohegan Tribe, June 20-23rd, 2004. The theme was “Renewing Connections, Strengthening Self-Determination” had attendance from indigenous nations all over the world. During the conference the 1999 “Declaration of Kinship and Cooperation” between NCAI and Canadian Assembly of First Nations was renewed to continue commitment to sovereignty and cultural continuity that surpasses the bounds of borders.

NCAI Membership Growing at Record Rates

We are very pleased to report that the NCAI membership is near all-time highs. This year we have over 250 member tribes, rivaling our all time membership high reached in 1998 – the year we joined forces to beat back Senator Slade Gorton’s attacks on tribal sovereignty. With so many member tribes this year, we added up the tribal enrollment figures from the BIA Indian Labor Force Report. The combined tribal enrollment of NCAI’s member tribes is 1,223,783 -- out of the total tribal enrollment of 1,698,883. NCAI’s member tribes represent 72% of all enrolled tribal members in the country. This is a great show of strength and unity as tribes continue to work together to protect tribal sovereignty and advance the welfare of our communities. We want to thank all of our tribal government members and our individual members for their support. Your membership in the organization means that we have a greater impact in Washington, DC.

State-Tribal Relations

In an era of ever more complex jurisdictional lines, devolution of resources from the federal level, and increasingly visible exercise of tribal governance, relations between tribal governments and state governments have come under greater pressure, and are required to address increasingly sophisticated intersections. In ongoing work undertaken with support from the W.K. Kellogg Foundation, NCAI and the National Conference of State Legislatures (NCSL) have developed an effective partnership to promote dialogue, disseminate relevant information to tribal leaders and state officials, and offer technical support to tribes and states in the areas of welfare reform, land into trust, and economic development.



W. Ron Allen, NCAI Treasurer, speaks with a reporter at the National Press Club

The extension of this partnership to new areas of work has been extremely well received by state and tribal constituencies. NCAI and NCSL staff offered workshops on aspects of state-tribal relations at each others’ conferences, and have coordinated closely on a range of new publications. The organizations have also provided technical assistance to a number of states and tribes seeking advice and guidance in improving state-tribal relations in general or on particular issues. In particular, a series of meetings were held in the state of Maine to begin efforts to thaw state-tribal relationships in the wake of a hotly contested ballot initiative that pitted the state and tribes against one another.

Welfare Reform Reauthorization

Although Congress was not successful in passing welfare reform legislation this year (and has just extended spending and program rules for the 7th time), NCAI's Welfare Reform workgroup vigilantly monitored legislative proposals, worked with Congressional champions to continue to educate members of Congress about tribal-specific provisions, and wrote letters urging the immediate passage of comprehensive legislation.

HHS IGA/APHSA/NCAI Human Services Collaboration

In October 2003, the National Congress of American Indians (NCAI), the American Public Human Services Association (APHSA), and the Office of Intergovernmental Affairs (IGA) of the U.S. Department of Health and Human Services agreed to come together in partnership, to examine human service policy and practice as it relates to American Indian children and families both on and off of Indian lands.

An initial project planning meeting was held in Albuquerque, NM in conjunction with NCAI's 2003 Annual meeting. Over 45 federal, state, and tribal representatives from more than 15 states participated in the meeting. Lively discussion resulted in the identification of numerous human service issue areas (both policy and practice related) in which intergovernmental coordination was warranted.

On May 3rd, after publication of the final Tribal Child Support Enforcement regulation, the project coordinated and sponsored a 90-minute call-in session for tribes and states on the regulation with HHS Office of Child Support Enforcement Commissioner Sheri Heller and numerous representatives from her staff. The project also joined with the National Indian Child Welfare Association (NICWA) to sponsor a child welfare policy convening in Seattle, Washington from August 19-20th. At this session, over 40 federal, state, and tribal representatives met to identify the key areas for intergovernmental collaboration and to assess child welfare reform policy proposals for their potential impact on American Indian children and families as well as on state/tribal relationships. Evaluations of the meeting indicated that participants were very excited about the information that came out of the meeting and were eager for further opportunities to discuss and coordinate on child welfare issues.

Research and Data Center Development

Answering a call from tribal leaders and policy makers for better data and proactive policy analysis on issues impacting Indian Country, the NCAI Education Fund has taken on the challenge of launching a broad and ambitious research and policy analysis consortium. The National Center for American Indian Research and Policy Analysis (NCAIRPA), launched in 2004, is a "think tank" focused solely on issues facing tribal communities and independent of the National Congress of American Indians' existing advocacy functions. In a matching grant to complement seed grants from three foundations, the Shakopee Indian Community provided \$100,000 to the Research Center launch effort.

At the NCAI Midyear session held in Mohegan, Connecticut, research center staff met in a day-long session with a range of academics, tribal leaders, and others with an interest and potential role as partners in the NCAIRPA effort. Over the summer, Research Center staff worked to develop the first phase of our data inventory, which focused on federal, foundation, and think tank data available over web. Based on feedback from participants and other stakeholders at a coordinating meeting held on the Research Center, the data inventory will soon become available as a searchable database on NCAI's website.

Partnerships

NCAI participates in a range of coalition efforts that help to ensure coordinated efforts on particular issues of concern to a broad range of organizations. Among other efforts, NCAI has continued to serve on the executive board of the Leadership Conference on Civil Rights, a coalition which has led the fight for equal opportunity and social justice since 1950. With a broader membership of more than 180 national organizations committed to the protection of civil and human rights, this coalition has provided rich opportunities for NCAI to provide education and outreach to groups that might not otherwise be exposed to the concerns of American Indian and Alaska Native tribal governments.

Advocacy for Accurate Media Portrayal of Native Americans

In February, NCAI condemned the Grammy Award performance by R&B music group Outkast in which the group performed the hit “Hey Ya” to an “Indian” theme, using a giant smoking teepee as a background while several scantily-clad women in “Indian” themed costumes gyrated on stage. In letters to the National Association of Recording Arts and Sciences, Arista Records, CBS Television, and Outkast, NCAI held all parties to the performance responsible for the events that transpired during the GRAMMY Awards show. NCAI partnered with NAACP to better educate the public on sensitive racial stereotypes. In the past year, NCAI also continued its long-standing opposition to the use of the name “Redskins” by the Washington, DC professional football team. Legal action has been taken to challenge the team’s trademark, and NCAI’s stance has been a key part of the broader campaign to seek a change in name for the team.

Public Education

NCAI board members and staff engage regularly in public education, accepting invitations to speak at national events, community gatherings, and in classrooms throughout the year. Student groups also visit the NCAI office frequently for classes on history and contemporary policy issues in American Indian and Alaska Native affairs. NCAI has worked over the past year to improve its communications infrastructure and web presence, with a revamped website set to be launched shortly with the help of the Mohegan Tribe of Connecticut.

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**Cover art by
Brent Learned**

Brent Learned is an award winning and collected Native American artist who was born and raised in Oklahoma City, Oklahoma. He is an enrolled member of the Cheyenne and Arapaho Tribes of Oklahoma. A graduate from the University of Kansas he holds a bachelor degree in Fine Arts.

He draws, paints and sculpts with great detail the American Indian in a rustic impressionistic style. He has always appreciated the heritage and culture of the Plains Indian and it is reflected in his artwork as he captures the essence, accuracy and historic authenticity of the Plains Indian way of life. His work resides in museums such as the Smithsonian Institute-National Museum of the American Indian in Washington D.C., the National Cowboy and Western Heritage Museum in Oklahoma City, and the University of Kansas Art Museum in Lawrence, Kansas.