



2002 - 2003
COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY
of
THE NAVAJO NATION

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FOREWORD

The Comprehensive Economic Development Strategy (CEDS) of the Navajo Nation is produced by the Division of Economic Development. The Division has worked very diligently to prepare this document. Most of the data for the document has been collected from the primary sources. Data from secondary sources, e.g., Census 2000, Bureau of Economic Analysis and so on have been used as well.

This document is one of the requirements to receive funding from the Economic Development Agency of the U. S. Department of Commerce.

As this document provides various data related to the Navajo economy, health, education and demography, it has turned out to be one of the major sources of information on the Navajo Nation. It is used by a number of people, as well as, by a number of public and private organizations – both within and outside of the Navajo Nation. Some of them are:

The Navajo Govt. agencies, various schools, and several for-profit and non-profit organizations located on the Nation. They use this document to apply for grants.

Navajo and non-Navajo students scattered throughout the country, researchers, academicians, scholars, and general public who are interested in the economy of the Navajo Nation. They use this document for research purposes.

And finally, various consultants. They need information on the Navajo economy to provide their consulting services to the Nation.

Lately, the demand for this document has increased dramatically by the people from European countries, signifying their increased interest on the Navajo Nation in general, and in its economy in particular.

I hope that you will find this document informative. Of course, there is always room for improvement. Your comments and suggestions will help us do that.

Sincerely,

Allan Begay
Executive Director

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CHAPTER I
A BRIEF INTRODUCTION OF THE NAVAJO NATION

A. The Dine Belief¹:

According to Navajo legends, the First Man, the First Woman, the Holy People and all the animals of this earth came from different worlds below. It is believed that the Dine were given the skills of life from the Holy People. These skills included the teachings of how to live in balance with nature and all of Mother Earth's inhabitants and surroundings known as K'e. A life-skill which teaches of peace, harmony, serenity, and balance to create harmony.

In these teachings was a designated place for the Dine, this place is known as Dine bi Keyah (Navajo Land). Also placed were four mountains of reverence. One in each direction to protect and guide us in our daily lives, and also to remind us of the precious gift we have in the circle of life. These places of reverence are known as The Four Sacred Mountains...

To the East sits Mt. Blanca, (Sisnaajini). This mountain is represented in white and also begins the natural way of life and the beginning of hozh'o. The place where the sun rises and the day begins, as with life and birth. This direction also represents the season of Spring, the color of purity, and white shell stone.

To the South sits Mt. Taylor, (Tsoodzil). This mountain is represented in turquoise and continues the day's journey at mid-day when the sky is blue and in life the adolescence of all living beings. This direction also represents the season of summer, and the beautiful shine of the Turquoise stone.

To the West sits The San Francisco Peaks, (Doko oosliid). This mountain is represented in Yellow as when the sun sets and the day begins to rest. This also reflects the adulthood of all living beings. This direction also represents the season of fall, and the warm color of the abalone stone.

To the North sits Mt. Hesperus (Dibeentsaa). This mountain is represented in Black as is the color of Night – Time, when all life must rest. It also represents the elderly, the completion of the life circle, the season of Winter, and the mystical color of the jet stone.

So, the circle of life is completed and embraces the essence of life (male and female). Both connected through a bottomless center foundation of sand, which is Mother Earth and beauty is all around (hozh'o)

B. A Brief History²:

According to the scientists who study different cultures, the first Navajo lived in western Canada some one thousand years ago. They belonged to an American Indian group called the Athapaskans,. They called themselves Dineh, or The People.

As time passed on, many of the Athapaskans migrated southward and some settled along the Pacific Ocean. They still live there today and belong to the Northwest Coast Indian tribes.

A number of Athapaskan bands, including the first Navajos, migrated southwards across the plains and through the mountains. It was a long, slow trip, but the bands weren't in hurry. When they found a good place to stay, they would often live there for a long period of time and then moved on. For hundreds of years, the early Athapaskan bands followed the herds of wandering animals and searched for good gathering grounds.

According to some scientists, some Athapaskan bands first came into the American Southwest around the year 1300. Some settled in southern Arizona and New Mexico and became the different Apache tribes. Apache languages sound very much like Navajo.

The Navajo Athapaskans settled among the mesas, canyons and rivers of northern New Mexico. The first Navajo land was called Dine'tah. Three rivers - the San Juan, the Gobernador, and the Largo ran through Dine'tah, which was situated just east of Farmington, New Mexico. By the year 1400, the Navajos came in touch with Pueblo

Indians. The Navajos learnt farming from the Pueblo Indians and by 1600s they had become fully capable of raising their own food.

As the Navajo population grew, they started migrating to other places in the southwest. Some migrated westward to Arizona, while others headed south to Mount Taylor in New Mexico. Still some migrated northward into Colorado and Utah. By the year 1700, Navajos were living in northern Arizona, New Mexico, southern Colorado and Utah surrounded by four sacred mountains of the Navajo people mentioned earlier.

In the meantime, the Spaniards had already colonized New Mexico. A number of small towns cropped up along the Rio Grande River. Santa Fe was founded in 1610 and became the most important town in the New Mexican colony. Contact between the Navajos and Spaniards grew. Of all the things the Navajos learnt from the Spaniards, riding horses became the most valuable. In no time, Navajos became better horsemen than the Spanish soldiers.

A great leader of the Navajo people, Narbona, was born in 1766 somewhere in the Chuska Mountains of Arizona. From his very childhood, he was a great warrior. He and his son-in-law, Manuelito, spent most of their life fighting the Spaniards and then the Mexicans (mestizos) and then the Whites. Later in his life, he became a great peace-maker between various warring factions. Few years back, the Washington Pass which connects east and west side of the Chuska mountains was named Narbona Pass to honor this great leader of the Navajo people.

Till 1846, what is now known as California, Arizona, Nevada, Utah, New Mexico, and Colorado were still part of Mexico. Texas had once belonged to Mexico, too, but in 1836 the Texans rebelled and started their own country. By 1848, the Americans had defeated the Mexican army and annexed the above states to the United States.

A number of wars broke out between the Navajos and the Spaniards, as well as among the Navajos and the Pueblos. The American army rode into Santa Fe in August, 1846. The leader of the Americans, General Kearny, wanted to have the New Mexican people on his side. He learnt that the Navajos and Apaches were at war against the New Mexicans. So he decided to help the New Mexicans to win their favor. Antonio Sandoval, a prominent Navajo headman from Mount Taylor area, offered his help to the Americans to make peace with the Navajo people. A peace treaty was signed between the Americans and the Navajos in 1868. Narbona, Manuelito, Zarcillos Largos, and ten other headmen signed the treaty at Bear Springs. Nonetheless, various factions kept fighting against each other, very often due to misunderstanding. The Navajo headmen who had signed the treaty kept their promise and stopped attacking Mexicans or Americans, but others who had not signed the treaty kept waging war. Americans thought that the Navajo headmen, who had signed the treaty, had broken their promises. A number of fights broke out among the Indians, the pueblos people, the Mexicans, the New Mexicans and the Americans. Quite often, it was hard to see which group was siding with whom. The scenario changed frequently. A number of treaties were signed between various warring groups and with the Americans, but they did not last very long.

In one of the confrontations, the great leader of the Navajo people, Narbona, was killed. His son-in-law, Manuelto, another great leader of the Navajo people, became the headman of the Chuska Navajos. He was quite furious over the death of his father-in-law and promised to take revenge on the Americans and New Mexicans for killing his father-in-law.

Between 1849 and 1851, Navajos raided settlements across New Mexico and attacked the Jemez, Zuni, Acoma, Laguna, and Isleta pueblos. To stop Navajo raids, the Americans built Fort Defiance in 1851. War continued among various factions. Thanks to the efforts by Zarcillos Largos, and Henry Dodge, an Indian agent at the Fort Defiance, almost all the fighting was over by 1855.

In 1856, agent Dodge was ambushed and killed by Apache warriors while he was on a hunting trip near Zuni. After the death of Dodge, things started getting worse and reached its climax after a Navajo man, while visiting Fort Defiance, killed a black slave of Major Brook, the fort commander. American cavalry, joined by groups of New Mexicans, Utes, and Pueblos charged into Canyon de Chelly and destroyed every Navajo home they could find. They even attacked Zarcillos Largos' people camped north of Fort Defiance. Zarcillos Largos and other headmen decided to sign another peace treaty with the Americans. Barboncito (Moustached Man), who later signed the famous treaty of 1868 on behalf of the Navajo people was one of the headmen. However, peace did not last for long. War continued.

In 1861, while returning home alone from visiting the Hopis, some Zuni and New Mexican raiders ambushed Zarcillos Largos and killed him. This angered Manuelito greatly and he promised to continue his fight against the Americans.

In 1862, General James Carleton became the commander of the American troops in New Mexico. He considered all Navajos being warlike and believed that the Navajo leaders could not be trusted. He wanted to force all Navajos to a reservation along the salty Pecos river in New Mexico. The General had his men make a fort there, which became quite popular by the name of Fort Sumner. Navajos called that fort “Hweeldi”.

With the help of Christopher ‘Kit’ Carson, a scout, who knew the Navajo people and the land very well, the General Carleton wanted New Mexicans and Utes to help the American soldiers to invade the Navajo land. After learning about the plan, the Navajo leaders met with the General in Santa Fe and again in Fort Wingate in 1863. They told the General that the Navajos were peaceful people and that they would help the American soldiers stop any outlaw Navajos who were attacking New Mexican settlements. But the General did not believe them and gave them until July 20, 1863 to surrender. Navajos did not comply with the order. As a result, Kit Carson raided numerous places and turned the Navajo peoples’ lives extremely miserable. Eventually, the Navajos started to surrender. (Barboncito did not surrender till August of 1864. Manuelito surrendered in October of 1866). The soldiers gave the Navajo people food and blanket, which surprised them. The news spread and more and more Navajo people surrendered in Fort Defiance and Fort Wingate. By March of 1864, over 5 thousand Navajos were being held by the soldiers as prisoners. Shortly afterwards, groups of Navajos started their march to Fort Sumner, which was hundreds of miles away. This march has become very famous by the name of “the Long Walk”. Old and weak people, as well as children who could not keep pace with the group, were shot dead by the soldiers.

Life in Fort Sumner was nothing but hell. Navajos were not used to the strange American foods and did not know how to use white flour, sugar, salt, and coffee beans. They usually cooked these items wrong, which made them sick, and many died. Many Navajos had to hunt for rabbits, mice, and prairie dogs to feed themselves. Food supplies at the fort store also became low and the Americans started distributing ration tickets to save food. Despite the dangers of slave raiders, soldiers, thirst, hunger and cold, many Navajos tried to escape the death and disease at Hweeldi, i.e., Fort Sumner. Many of them were never seen again.

In late May 1868, American visitors arrived at Fort Sumner led by Tecumseh Sherman, a famous Civil War general. He was horrified by what he saw and asked to meet with Navajo leaders. In the morning of May 28th, the American and the Navajo leaders met and on June 1, 1868, the famous treaty of 1868 was signed. The Navajos were given a territory containing Fort Defiance, Chinle, Many Farms and Shiprock. Twenty-nine Navajo leaders signed the treaty-Barboncito being the most important figure. After traveling for more than a month, the Navajos were once more in their own traditional homeland.

C. Geography:

Among some 500 Indian tribes and 318 reservations recorded in the country by the 2000 Census, the Navajo Nation is the home of the largest Indian tribe, and sprawls across northeast Arizona, New Mexico and Utah. It has an area of over 27,000 square miles and is situated on the southwestern Colorado Plateau (**Table No. 1**). Very often, the size of the Navajo Nation is compared to that of the state of West Virginia.

The topography of the Navajoland is characterized by arid deserts and alpine forests with high plateaus, mesas, and mountains reaching as high as 10,500 feet in altitude. And then, there are low desert regions with an altitude of as low as 5,500 feet. Volcanic activities, wind and water erosions have formed and carved the Navajo Nation's many majestic mesas, mountains and canyons. Navajoland boasts a number of world-renowned scenic wonders of the Southwest, e.g., the Canyon de Chelly, the Shiprock peak, the Monument Valley, the Chuska Mountains, the Window Rock, and so on. The beauty and the culture of the Navajo Nation draw over three million tourists annually from all over the world to this majestic land (**see Table No. 28**).

D. Demography:

Decennial censuses are the best source of any kind of data on the Navajo Nation. According to the Census 2000, the population of the Navajo Nation was 180,462, of which 88,469 or 49.02 percent were male and 91,993 or 50.98

percent were female. Of this number, 175,228, i.e., 97.1% were American Indians and 173,987 or 96.41 percent were Navajos. After the American Indians, white constituted the second largest racial group on the Navajo Nation. The Census 2000 counted 5,223 Whites living on the Navajo Nation, which constitutes 2.89 percent of the total population of the Navajo Nation. (**Table No. 2**)

In between the Censuses, the Navajo Nation has been estimating its own population figures of the Navajo Nation. The Division of Community Development did so for a number of years after the 1990 Census. Later, the Division of Economic Development took over this responsibility. Based upon the Census 1990 and Census 2000 data, we have calculated that the Navajo population grew at the rate of 1.82% annually between 1990 and 2000. Using this growth rate, the population of the Navajo Nation was estimated to be 183,776 in 2001 and 187,152 in 2002.

Some characteristics of the Navajo population have been described below.

(i) Between 1980 and 1990, the Navajo population grew at an annual rate of 1.2% and at an annual rate of 1.84% between 1990 and 2000 (**Table No. 3**). We believe that the actual growth rate of the Navajo population is higher. However, because of lack of employment opportunities on the Navajo Nation, many younger Navajos move to cities like Phoenix, Albuquerque, and Salt Lake City, thereby reducing the population size of the Navajo Nation and causing a lower population growth rate.

The Navajo population is relatively young. This is reflected by the fact that the median age of the overall population residing on the Navajo Nation was only 24 years in 2000, whereas the median age of the population of the United States, at large, was 35.3.

(iii) The Navajo population has more female members in comparison to its male counterparts. In 2000, the Nation had a total population of 180,462, of which 91,993 or 50.98 percent were female and 88,469 or 49.02 percent were male, which is quite in line with the male-female ratio of the US population – 49.1:50.9.

E. Government:

The origin of the Navajo Government goes back to 1923, when the first Navajo Tribal Council was established. However, it was not until 1938 when the very first election took place. Since then through 1989, the Navajo Nation government consisted of the tribal Council headed by the Chairman of the Council. In December 1989, Title 2 Amendments were passed, which established a three-branch system of government on the Navajo Nation, comparable to the major democracies in the world.

The Executive Branch is headed by the President and the Vice-President. They are elected by the popular vote of the Navajo people for a term of four years. Our last presidential election took place in 2002. Chapter by chapter result of the presidential election has been presented in **Table No. 4**.

The Judicial branch is headed by the Chief Justice of the Navajo Nation. The Chief Justice is appointed by the President and then confirmed by the Navajo Nation Council.

The Navajo Nation Council comprises the Legislative Branch of the Navajo Nation. It consists of 88 members called Council delegates. These delegates are elected for a four-year term by the registered voters of all the 110 Chapter(s), the smallest administrative units on the Navajo Nation. Some council delegates represent more than one Chapter, whereas some Chapters have more than one Council delegate, depending upon the size of the population of the Chapters.

Organizational Chart of the Navajo Government has been presented in **Fig. I**

Election for the delegates and for the president/vice-president of the Navajo Nation takes place on the same day. During 2002 election, 51 of the 88 seats were taken by new faces, which is unprecedented in the Navajo history. A list of the Navajo Nation Council delegates has been presented in **Table No. 5**.

Window Rock was chosen as the capitol of the Navajo Nation in the early 1930s by John Collier, the then Commissioner of Indian Affairs. Not only was the Window Rock a unique and beautiful sandstone formation, it was also just one day's ride by horseback to the nearest railroad.

Window Rock is much more than just beautiful and serene. Stains at the base of the rock show that a spring existed there at one time. It is now silted over. Water from this spring and from three other locations was procured by medicine men to be used in the Tohee (Water Way) Ceremony, said to bring rain.

F. Budget:

The budget of the Navajo Nation can be divided into two parts – “Internal Budget” or the General Fund budget, and the "External Budget". The Nation's General Fund budget has been hovering around \$90.0 million for a number of years. In FY 2003, it is slightly higher at \$117,229,383.0. Of this amount, \$99,440,015.0 has been assigned to the Executive branch, \$11,197,163.0 to the Legislative branch and \$6,592,205.0 to the Judicial branch. Table Nos. 6, 6A, 6B and 64C present the Nation's budget for the Fiscal Year 2003.

G. Sources of Revenue:

Sources of revenue can be divided into two parts – internal and external. Internal revenue is also referred to as General Fund revenues. **Table No. 7** presents various sources of revenue - both external and internal – for Fiscal Years 1999 thru 2001, as well as unaudited figures for FY 2002, and projected figures for FY 2003. It can be seen from the table that Grant Revenues constitute by far the largest source of revenue on the Navajo Nation. Contrary to the popular belief, grant revenue has constantly increased over the past few years.

(1) Internal Sources of Revenue:

a. Mining: Projected revenue for the FY 2003 has been estimated to be a little over \$137.0 million (**Table No. 7**). Of this amount, \$70.5 million or 51.35% is estimated to come from mining and oil & gas alone. **Table No. 8** portrays production as well as royalty income from mineral resources on the Navajo Nation.

b. Taxes: Taxes are the second largest source of revenue on the Navajo Nation. Its share has steadily increased over the past several years. In 1999 taxes contributed only \$28.8 million to the Navajo Nation coffers. In FY 2001, it brought \$45.0 million. (**Please see Table No. 9**).

Currently, the Office of Navajo Tax Commission (ONTC) administers 7 various types of taxes on the Navajo Nation. **Table No. 9** portrays amount of tax revenue generated by various taxes on the Navajo Nation.

A brief description of various taxes has been presented below.

i. Possessory Interest Tax (PIT): This is a tax on the taxable value of a possessory interest granted by the Navajo Nation. A possessory interest is the right to be on Navajo land performing a particular activity. The most common forms of possessory interests are oil and gas leases, coal leases, rights-of-way and business site leases. All possessory interests fall within one of the five classifications set forth in the statute. The Office of the Navajo Tax Commission uses common appraisal methods to place a market value on the possessory interest. Next, the taxable value is calculated based on the classification system, where each classification's taxable value is a certain percentage of its market value. Then, the tax rate of 3% is applied to the taxable value. Possessory interests with a taxable value of less than \$100,000 are not taxed.

The PIT is assessed annually on August 1st, with one-half of the payment due November 1 and the remainder due the following May 1.

ii. Business Activity Tax (BAT): This is a tax on the net source gains (gross receipts less deductions) from the sale of Navajo goods or services, with the legal incidence of the tax on the party receiving the gross receipts. Navajo goods are all goods produced, processed or extracted within the Navajo Nation and Navajo services are all services performed within the Navajo Nation. The taxable source gains are calculated by taking the gross receipts from the sale of such goods or services and subtracting out certain deductions: a standard quarterly

deduction of the greater of \$125,000 or 10% of gross receipts, salaries and wages paid to Navajos, the cost of purchasing Navajo goods or services, and other payments made to the government of the Navajo Nation. The net source gains are then taxed at a rate of 5%.

The BAT is a self-reporting tax, with quarterly returns due 45 days after the end of each calendar quarter.

iii. Oil and Gas Severance Tax (SEV): This is a tax on the removal of oil and/or gas from any lands located within the jurisdictional territory of the Navajo Nation, regardless of ownership of such lands. The first purchaser of the product is responsible for filing and paying the tax, although the owner remains secondarily liable. The tax rate is 4%.

The SEV is a self-reporting tax, with monthly returns due 45 days after the end of the month.

iv. Hotel Occupancy Tax (HOT): This is a tax on the amount paid for the rental of a room in a hotel, motel or bed and breakfast. The legal incidence of the tax is on the person paying for the room, but the hotel has the responsibility of filing forms and paying the tax and is responsible for filing and paying, even if the tax is not collected from the lodger. The tax rate is 8%.

Navajo Nation employees on official business and Navajo Nation Council delegates on official business are exempt from the HOT, but employees of Navajo Nation enterprises are not exempt.

The HOT is a self-reporting tax, with quarterly returns due 90 days after the end of the quarter.

v. Tobacco Products Tax and Licensing Act (TOB): This is a tax on the sale of tobacco products within the Navajo Nation by a distributor or retailer. The tax rate is 40¢ per pack of cigarettes, with the rate for cigars and smokeless tobacco calculated slightly differently. The tax is collected at the distributor level.

The TOB is a self-reporting tax, with monthly returns due 45 days after the end of the month.

vi. Fuel Excise Tax (FET): The Navajo Nation Fuel Excise Tax became effective on October 1, 1999. This tax, with a rate of 18¢ per gallon, is administered in a manner similar to state gasoline taxes. The Office of the Navajo Tax Commission issues fuel manifests to be completed and filed by distributors, which specifies the delivery of fuel within the Navajo Nation. Distributors file tax returns and pay the tax on a monthly basis. Retailers and carriers are required to file reports. This statute also requires distributors, carriers, retailers and refiners to obtain appropriate licenses from the Office of the Navajo Tax Commission on a yearly basis.

The FET is a self-reporting tax, with distributor's monthly returns due 20 days after the end of each month. There are also certain reporting requirements for retailers, carriers, and refiners.

vii. Sales Tax : This tax went into effect on April 1, 2002, it replaced the Business Activity Tax for Construction. The tax rate is 3% of gross receipts. It is very similar to state gross receipts taxes. The tax is imposed on all sales of goods or services within the Navajo Nation, with the legal incidence on the seller and is generally passed on to the consumer. Certain categories of sales are exempt from the tax.

Construction activity is now handled under the Sales Tax. It is taxed at a rate of 3% and no deductions are allowed; the tax rate is applied to the total gross receipts received by the contractor.

The Sales Tax is a self-reporting tax, with quarterly returns due 45 days after the end of each calendar quarter.

viii Income Tax: This tax is just a proposed tax and not in effect yet. This tax will be a tax on income earned within the Navajo Nation, similar to state and federal income taxes. Agreements with surrounding states regarding credit against state taxes for tribal taxes paid are being explored. **Table No. 10** portrays level of household and family incomes, which may be quite helpful in figuring out percentage of tax as well as amount of tax revenue to the Navajo Nation's coffers.

For more information, contact:
Office of the Navajo Tax Commission
PO Box 1903
Window Rock, Arizona 86515
Tel: (928) 871-6681. Fax: (928) 871-7608

(2) External Sources of Revenue:

The Federal, State, Private and other funds, mostly in the form of grants are primary external sources of revenues on the Navajo Nation. Some of the funds also come in the form of services, e.g., medical and educational services, as well as, welfare benefits to the Navajo people. Grants are the largest source of external revenue. Contrary to the popular belief, revenue from this source has constantly increased over the period of 4 years between 1999 and 2002. As can be seen from the **Table No. 7**, Grants accounted for \$223.9 million in FY 1999, \$225.8 million in FY 2000, \$260.4 million in FY 2001, and \$300.1million in 2002. Estimates for the FY 2003 are not available yet.

H. Prospective Sources of Revenue:

It has to be pointed out that revenue from mineral resources to the Navajo Nation may decline sharply in near future. Peabody Coal Mines, the Pittsburgh and Midway Coal Mine and Navajo Mine account for over \$60.0 million in royalties and taxes to the Navajo Nation, which is roughly 60% of the total general fund budget of the Navajo Nation.

Of the three mines, Peabody Coal may shut down its operations in 2005 and Pittsburgh and Midway in 2008. It has been reported that Mojave Generating Plant will have to shut down its operations in 2005 if it does not install scrubbers to comply with the EPA regulations. As this Power Plant is powered by the coal from the Peabody Coal Mines, its closure will force the latter to shut its operations too, if it does not find another customer(s). Even with the Mojave Power Plant running, there is the issue of transportation of coal. So far, the coal has been transported to the Plant using the water from N-aquifer of the Navajo Nation, which is pristine and precious. The water is mixed with crushed coal and the slurry is transported via pipeline to the Mojave Power Plant. Therefore, even if the Mojave Plant does not shut down, the problem of transporting coal will have to be solved. One option is to pump water from C-aquifer to the site of the Peabody Coal Mines and use it to transport coal instead of using the water from N-aquifer. Another option may be to construct a railway-line, which might be very costly. An another option yet may be to transport back the used water from Mojave to the Navajo Nation by another pipeline, thus creating a loop.

Pittsburgh and Midway Company's lease expires in 2008. This company will shut down its operations in 2008, unless its lease is renewed which is to expire in 2008.

The closure of these two mining companies will have very severe adverse effect on the revenue of the Navajo Nation, as these two companies account for over 30 percent of the Navajo Nation Government's budget. The closure will also result in the loss of hundreds of high paying jobs.

What can be done to avoid this crisis has become a matter of serious discussion amongst the officials of the Navajo Nation. At the moment, two options are being considered seriously.

(1) Income Tax: As mentioned above, the Navajo Tax Commission is working towards starting income tax on the Navajo Nation, which may at least partially solve the problem. Of the \$1,304 million total income of the Navajo people (not Government), wage and salary income plus self-employment income constitute \$1,066 million, which is 81.75% of the total income of the Navajo people (**see Table No. 21**). **Table No. 10** compares the income levels of the Navajo families and households with those of Arizona, New Mexico, Utah and the USA.

(2) Slot Machines: The Navajo Nation has been allocated 2,400 slot machines. It is expected that these slot machines, if rented out to various casinos in Arizona may each bring as much as \$70.0 a day. Thus the rental of these slot machines may generate a total of \$61,320,000.0 a year. It has to be mentioned in this respect that Zuni tribe rented their allotted 450 slot machines at an annual rate of \$3.5 million a year. With this rate the Navajo tribe might get \$18.67 million from the rental of its share of slot machines.

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CHAPTER II
DIVISION OF ECONOMIC DEVELOPMENT

A. Introduction:

The Division of Economic Development is one of the 14 Offices and Divisions within the Executive Branch of the Navajo Nation Government. The main purpose of this Division **is to create an environment that is conducive to promoting and developing businesses in the commercial, tourism, industrial and other sectors of the Navajo Nation economy, thereby creating jobs and business opportunities.** The organizational units and areas of responsibilities of the Division of Economic Development have been presented in **Figure 2** - the organizational chart of the division.

B. Objectives:

To carry out its purposes, the Division has established the following objectives:

1. To promote and create employment and business opportunities in the commercial, industrial, tourism and other private sectors of the Navajo economy for Navajo individuals residing on or near the Navajo Nation;
2. To recommend the enactment, amendment, or rescission of laws and promulgation and/or reduction of regulations to enhance economic development on the Navajo Nation and to create a positive business environment;
3. To maintain a decentralized network of business development offices in the primary growth centers of the Navajo Nation in order to provide Navajo individuals and organizations with technical assistance in developing business plans, feasibility studies, financing, planning, loan and grant packaging, business site lease processing, Business Preference Certification, and industrial park management;
4. To develop and manage a comprehensive financing program to expand or develop new economic enterprises for the Navajo Nation.

C. Authority and Responsibility:

The general authorities and responsibilities of the Division are as follows:

1. Manage all funds identified for economic development in a fiscally responsible manner and administer the Navajo Nation Business and Industrial Development Fund (BIDF) and Micro-Enterprise Lending Fund (MELP) pursuant to the approved Fund Management Plans. (These two funds are administered by the Support Services Department of the DED);
2. Identify and recommend changes in the laws and regulations of the Navajo Nation or other government agencies to reduce or eliminate barriers to entry and expansion faced by new and growing business enterprises and to eliminate regulatory and jurisdictional conflicts which inhibit the location of major industries within the Navajo Nation;
3. Manage existing and develop industrial parks, business sites, and other lands dedicated to economic development;
4. Solicit proposals from outside businesses and industries to locate facilities and operations onto the Navajo Nation industrial parks and assist them in implementing proposed projects;
5. Collect, maintain, analyze and disseminate information relevant to business and economic activities on the Navajo Nation (such as socio-economic data, labor market data, land use data, etc.) and conduct economic feasibility studies and other technical studies to enhance economic development. These research and studies are conducted by the Support Services Department of the Division. Some of the documents prepared by the Department on a regular basis are: the Comprehensive Economic Development Strategy (CEDS) of the Navajo Nation and the

BIA Labor Force Study. The CEDS is required by the Economic Development Agency (EDA) to receive funding. Recently, the Department prepared a document called the Data from Census 2000, which contains data on demography & housing, on educational attainment and school enrollment by chapters, on income distribution by chapters, as well as important data on all the American Indian tribes in the United States.

6. Propose, plan, and undertake economic development projects by investing resources in ventures that adds to Navajo Nation assets and provide opportunities for related business development and employment, including, but not limited to;

a. Expanding, diversifying, and privatizing the operations of Navajo Nation enterprises or other Navajo Nation owned business entities;

b. Developing tourism facilities and services to capture a major share of the tourism market of the southwest;

c. Improving industrial parks and related infrastructure to increase the attractiveness and suitability of the Navajo Nation as a place to locate business; and

d. Developing facilities and services to enhance commercial development;

7. Seek federal, state, and conventional financing for commercial, industrial, and tourism projects and develop other economic programs to enhance economic activity within the Navajo Nation;

8. Execute such directives as may be directed or authorized by the appropriate authority of the Navajo Nation consistent with Navajo and federal law; and

9. Assist Navajo Nation Chapters in the execution of any and all economic development functions and authorities, which are properly delegated.

D. Personnel and Organization:

There are five Departments under the Division to carry out the above specific functions. They are:

1. Administration Department,
2. Support Services Department
3. Project Development Department,
4. Small Business Development Department, and
5. Business Regulatory Department.

Also, the Division has seven Regional Business Development Offices (RBDO) to carry out its functions. These RBDOs are located in Chinle, Fort Defiance, Shiprock, Aneth, Tuba City, Whipporwill and Fort Wingate. These RBDOs are supervised by the Small Business Development Department of the Division. **Table No. 11** portrays the activities of the RBDO's for the past several years (1998-2002), and **Table No. 12** lists various chapters under the supervision of these RBDO's.

In addition, there are two quasi-enterprises – The Navajo Times and the Navajo Nation Shopping Centers, which are administratively overseen by the Division. Their functions have been described in the Tribal Enterprises Section.

E. Budget:

From the **Table No. 13** entitled "Project Listing," it is clear that we need over \$307.0 million to accomplish our goals and objectives. However, the Division's budget is a meager fraction of this amount. Currently, the Division's General Fund budget stands approximately at a little over \$4.0 million. Naturally, we have to rely on outside sources to accomplish our goals and objectives, which, in turn, is an extremely difficult and massive task. This is one of the major reasons that despite hard efforts by the Division's staff, very few substantial results have been achieved.

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CHAPTER III THE ECONOMY

The Navajo economy is sometimes compared to that of a third world country. High unemployment rate; lack of income, paved roads, modern housing and amenities; lower education level; high poverty rate; so on and so forth; give the Navajo economy such a resemblance. It must be cautioned however, that most of the third world countries do not have any kind of safety net, e.g., welfare system, to provide perennial sources of income to the populace, as is the case with the Navajo people.

1. ASSESSMENT OF THE NAVAJO ECONOMY:

As we all know, decennial censuses are the most reliable source of economic data, including other statistics, available on the Navajo Nation. Now and then, some data are made available by the Bureau of Indian Affairs as well. However, it is the Support Services Department of the Division of Economic Development, which has, since 1991, continually been conducting annual employment and income surveys on the Navajo Nation and providing information on the Navajo economy³. Because of the Department's meager resources, its surveys are limited to assessing (1) unemployment rate, (2) total personal income, (3) per capita income, and (4) amount of total personal income leaving the reservation without producing any Multiplier Effect.

A. Methodology:

The Support Services Department has compiled a list of all the employers on the Navajo Nation. The list is updated annually. The Department sends questionnaires to all employers asking them two main questions - (1) how many people were working for them on a certain date (on December 31st of the previous year), and (2) what was the total salary and benefits paid to all the employees during the entire year. We also request for-profit businesses to report the amount of total gross revenue during the year. The first question helps us determine the unemployment rate. The second question helps us calculate the total personal income of the Navajo people. And the third one helps us find out how much of the total income of the Navajo people is spent inside the Navajo reservation.

Because of the massive task involved, we do not conduct surveys to assess our Labor Force. According to the 1990 Census, 29.5% of total population of the Navajo Nation was in the labor force. This number has slightly decreased to 28.46% during Census 2000. The same Census 2000 found 49.33% of the US population in general to be in the labor force. The numbers for Arizona, New Mexico and Utah were 46.53, 45.88 and 49.66 percent respectively. **(Table No. 14)**

Why is the Labor Force to Population ratio on the Navajo Nation so low?

The answer lies in the formal definition of the labor force.

To be in the labor force a person (a) has to be over the age of 16, (b) must not be institutionalized (i.e., in schools, in health or other institutions), and (c) must be looking for a job during the past six months.

The third characteristic of the labor force generates a special problem on the Navajo Nation. The Navajo Nation does not have much employment opportunities and hence, naturally, the Navajo people cannot be looking for something that does not exist. The result is that a vast majority of the young and able-bodied Navajo individuals are dropped out of the labor force. As these people are not in the labor force, they cannot be counted as unemployed either. Do not forget - labor force is also defined as sum of employed and unemployed individuals.

B. Unemployment Rate:

As seen from the **Table Nos. 15 thru 15C**, the unemployment rate on the Navajo Nation, as of December 31, 2001, was 42.16%, which was slightly lower than that in 2000 (**Table No. 16**). However, our unemployment situation is so bad that this slight decline hardly makes any difference. Taking a bucket of water from a lake does not dry the lake.

It has to be noted that unemployment situation on the Navajo Nation has stayed quite high in the face of very low unemployment rate in the United States, and elsewhere in the country. **Table No. 17** shows the unemployment rates by the states. At 7.4% the state of Washington had the worst unemployment rate. At 42.16% our unemployment rate is almost **six times** than that in the state of Washington. Furthermore, if we exclude the non-Navajos from the picture, our unemployment rate becomes substantially higher. This Department also prepares the Indian Labor Force Report for the US Department of Interior every two years. This report requires us to exclude all the non-Indians from the picture. When we do so, our unemployment rate becomes substantially higher. For example, our unemployment rate per above report was 53.88% in 1999 and 52.19% in 2001 as opposed to 43.65% and 42.16%,⁴ as we have been reporting all the time.

Below are five observations regarding unemployment rate on the Navajo Nation:

(1) The number of people employed on the Navajo Nation over several years has remained constant: The Division of Economic Development started its survey on regular basis in 1991. With some exceptions, the number of people employed on the Navajo Nation has hovered around 30,000. (See **Table No. 16**). In 2001, the number of people employed was slightly higher than in most of the years. However, this increase in employment figure is due to Youth Opportunity Grant (YOG) Program under the Welfare Act of 1996, and not because of enhanced employment opportunities. Under this program the tribe hired a large number of young individuals to provide them **on the job training (OJT)**.

While the number of jobs has stayed relatively constant, more and more people have entered the labor market each year. As a result, the unemployment rate has steadily gone up. A few years ago, we estimated that the Nation has to create 3,544 jobs each year to maintain the status quo, i.e., to stay at the same level of unemployment rate. Naturally, to take a bite on the existing unemployment rate, we must create more than 3,544 jobs a year. It is quite unfortunate that we hardly create 200 jobs a year on the Navajo Nation.

(2) Most of the jobs are in the "support industries": The backbone of any economy is its "Basic Industries", which is defined as industries that help bring money from outside. Manufacturing, and Agriculture are normally considered to be the leading 'Basic Industries'. Here, on the Navajo Nation, Tourism and Mining can be added to the list. Unfortunately, 'Basic Industries' are very few and far between on the Navajo Nation. Manufacturing, Agriculture and Mining accounted for 313, 229 and 1,500 jobs in 2001, which were 0.97%, 0.71%, and 4.63% of the total employment respectively (See **Table No. 18**). Comparable numbers for Arizona are 8.32%, 6.38% and 0.37% respectively. Employment figures in Agriculture sector are not available for New Mexico and USA. However, Manufacturing and Mining accounted for 5.11% and 1.86% of the total employment in New Mexico and 13.39% and 0.43% of the total employment in USA respectively.

(3) Actual Unemployment rate is very high: Unemployment rate is calculated by dividing the number of people unemployed by the Total Labor Force, and then multiplying the result by 100. The number of people unemployed is derived by deducting the number of people employed from the total labor force. It means higher the labor force, *ceteris paribus*, higher the unemployment rate

The definition of labor force plays a decisive role in determining the number of individuals in the labor force. Let us illustrate this with an example. Let us assume that A=number of people employed, B = number of people unemployed and C= labor force or A + B. Then,

Unemployment Rate = $B/C*100$, or $(C-A)/C*100$. This is so because $C=A+B$ and hence, $B = C-A$

Census 2000 found 51,363 individuals in the labor force of the Navajo Nation, which constitute 28.46% of the total population (see **Table No. 14**). From the same table we can see that 49.33% of the total population of the United States are in the labor force. If we were to apply the US percentage to our case, there would be 89,022 individuals in the labor force of the Navajo Nation: $180,462 \times .4933 = 89,022$. Thus the number of individuals in our labor force varies depending upon which percentage we use to calculate it, which in turn determines the unemployment rate.

Our own research found that a total of 30,818 individuals were employed on December 31st of 2001. Thus our A = 30,818.

If we assume our C to be 51,363 then our B = $51,363 - 30,818 = 20,545$, and our unemployment rate = $(20,545/51,363)*100 = 34.0\%$.

If we assume our C to be 89,022, then our B = $89,022 - 30,818 = 58,204$, and our unemployment rate = $(58,204/89,022)*100 = 65.34\%$.

Thus depending upon the size of the labor force, the number of unemployed people keeps changing and so does the Unemployment Rate. Only thing does not change is the number of people employed. We had assumed our labor force to be 55,041 (30.5% of the population) and so our unemployment rate was 44.01% in 2000. I must reiterate here that the true unemployment rate is over 65% as mentioned above.

(4) Actual Unemployment rate is overstated: Then, there is the flip side of the coin. The Navajo Nation seems to have a strong underground economy, which is not reported. For example, if Joe fixes Jim's truck, and in exchange, Jim paints Joe's house, the whole process goes unreported and falls under the category of underground economy. There are numerous such examples. It is estimated that between 5 to 35% of the US economy is not reported. On the Navajo Nation too, many of the activities directly related to creation of GDP are not reported, nor are the people involved considered 'employed'. Some examples:

(i). There are a number of arts & crafts vendors who sell their products at various road side stalls, at places of tourist attraction, and, wherever they can find customers - both inside and outside of the Navajo Nation. Officially, they are neither employed, nor is their income counted towards computation of the Navajo Nation's personal income.

(ii) There are a number of food stalls and other vending stalls similar to those at the corner of Hwy. 264 and Hwy 12 in Window Rock, in almost all the major communities of the Navajo Nation. According to knowledgeable sources, these stalls definitely provide a very decent living to the owners. However, their income is not counted towards the calculation of the Navajo personal income, nor are they officially employed.

(iii) There are also a number of Navajo people who work outside the Navajo Nation primarily as railroad workers. Many of them work for a few weeks at a time and then return home with a good chunk of money. After relaxing for a while, off they go again. These people are neither officially employed, nor are their incomes added to the total personal income of the Navajo Nation by our statistics.

A note of caution has to be made regarding those people who live on the reservation, but are employed in the neighboring towns. Right at the very outset of the survey, it was decided by the Survey **Team**⁵ to ignore such people, because as many people commute to work onto the Navajo Nation as well from outside the reservation. Also, it may be almost impossible for the Support Services Department, with its very scant resources, to compile such figures.

Census 2000 found 2,702 self-employed individuals on the Navajo Nation with an aggregate income of \$23,454,300.0 (see **table No. 21**).

5. A belief that most of the jobs on the Navajo Nation is Govt. sector is erroneous: This is a common belief among many of the political leaders and govt. officials that 80% of the jobs on the Navajo Nation is to be found in the Government sector. This is not true. Here are the facts. On December 31, 2001, 8,891 individuals were directly working for all kinds of Government combined - Navajo, Federal, State, County, and so on. This amounted to 27.42% of the total employment on the Navajo Nation. An additional 10,746 individuals were employed with 142 educational establishments and 3,276 with various medical establishments.⁶ These educational and medical establishments are run by the Federal, the State and the Navajo Governments: BIA schools, and IHS hospitals & Clinics are run by the Federal Government; public schools are run by the states of Arizona, New Mexico and Utah; and quite a few of the schools, and medical establishments are run by the Navajo Government. Thus, a total of 14,022 service sector employees were somewhat related to the Government sector in 2001. If we add all together, we find that a total of 22,913 employees were directly or indirectly getting their paychecks from one or another kind of government, which amounts to 70.68% of the total employment on the Navajo Nation. Then, we

will have to do similar calculation for the US, Arizona and New Mexico. Otherwise, we would be comparing apples and oranges. In nutshell, Government Sector accounts for only 27.42% of the total employment as opposed to the common belief of 80%. The figures for USA, Arizona and New Mexico are 15.79%, 14.83% and 25.31%, respectively. (See **Table No. 18** for detail). **Table No. 19** presents employment figures, as well as the number of employers and total salary and benefits on the Navajo Nation by sectors of economy.

C. Per Capita Income:

Over the years, the unemployment rate on the Navajo Nation has worsened - from 27.9% in 1990 to 42.16% in 2001. It had reached the peak level of 45.81% in 1997 (see **Table No. 16**). Despite a higher unemployment rate, the Per Capita Income in certain years has gone up. This is attributed to the raises given particularly to the Navajo government employees in certain years as well as to the regular COLA's given to the Federal, State, and other government employees. It also has to be mentioned that in 2001, the Navajo Govt. had more employees than in 2000 because of Youth Opportunity Grant Program, which has resulted in higher per capita income of the Navajo people.

Table No. 17 compares the unemployment rate and Per Capita Income of the Navajo Nation with that of the US, and all the states. As can be seen from the table, the unemployment rate on the Navajo Nation was almost 7 times higher than in the US. However, the Per Capita Income of the Navajo Nation was 4.6 times less than that of the US, 3.9 times less than that of Arizona, 3.5 times less than that of New Mexico, and 3.7 times less than that of Utah.

According to a study entitled Statewide Economic Study commissioned by the Arizona Department of Economic Security, Arizona portion of the Navajo Nation had a per capita income of \$7,578, which was lowest among all the tribes in Arizona except for Havasupai. (See **Table No. 22**). Race-wise, Whites had the highest per capita income (\$23,918.0) followed by the Asians ((\$21,893.0). American Indian and Alaska Natives (AIAN) had a per capita income of \$12,893.0, which was lowest among all races. Navajos' per capita income (\$7,269.0) was lower than even the AIAN at large. (See **Table No. 23**).

D. Poverty Rate:

A high unemployment rate, and hence low income has resulted in very high Poverty Rate on the Navajo Nation. According to Census 2000, aggregate income deficit amounted to approximately \$140.0 million on the Navajo Nation, which is over 10% of the total income. (See **Table No. 21**). The Census 2000 also found 42.9% of the Navajo individuals living below poverty level. The numbers for the US, Arizona, New Mexico and Utah were 12.4, 13.9, 18.4, and 9.4% respectively. (See **Table No. 24**). **Table No. 23** compares the median household income, median family income, per capita income and poverty rate on the Navajo Nation with those of Whites, Blacks, American Indians and Alaska Natives, Asians

E. Leakage of Navajo dollars to the border towns:

Lack of retail outlets is one of the major problems faced by the Navajo people. A survey by the Support Services Department of the Division shows that only 28.62% of all the Navajo monies is spent inside the reservation. In other words, over 71% of the Navajo money is spent in off-reservation communities (See **Table No. 15**). This is simply because the Nation lacks wholesale and retail outlets. In remote areas, the problem is further exacerbated by lack of transportation. A ride to Gallup from Low Mountain, for example, costs as much as \$60.0 round-trip, provided some vehicle owner volunteers to make the trip. This causes great hardship, particularly to the elderly. The problem typically sky rockets during the winter.

There are basically two entities on the Navajo Nation, which have been working very diligently to solve this problem.

(1) **Navajo Nation Shopping Centers (NNSC):** The Project Development Department of the DED has continually been trying to solve this problem by helping to establish retail outlets throughout the Navajo Nation, particularly in major Growth Centers. Its primary focus is to establish shopping centers. Once the construction is complete and the shopping center is ready to be leased out to business people, it is handed over to the Navajo Nation Shopping Centers (NNSC), which is tasked with administering the shopping centers. Until recently, we had 9

shopping centers. A new shopping center, located in Dilkon, became operational in 2002, bringing the total number of shopping centers to 10. **Table No 25** sheds light on the activities of the shopping centers across the Nation.

(2) TSEYI' Shopping Center: (ii) TSEYI' Shopping Center: The TSÉYI' Shopping Center in Chinle, which is wholly owned and operated by a for-profit subsidiary of Dineh Cooperatives, Incorporated (DCI), is another entity which has tirelessly promoted retail business development in the Navajo Nation.

In 1977, at the urging of the Chinle community, DCI began the phased development of the Tséyi' Shopping Center. Strategically located in the heart of the Navajo Nation, the center is readily accessible to over one-fifth of the Navajo Nation's 185,000 residents and to Canyon de Chelly's 800,000 annual visitors.

Since the blessing by a Navajo Medicineman in March 1981, the 67,000 square foot center has been a hit with the more than 35,000 residents in its market area and has been expanded four times. Current tenants include Bashas' Diné Supermarket, General Store, U.S. Postal Service, Rent-A-Flik, Chinle Laundromat, Pizza Edge, Taco Bell, Black & Gold Athletics, Wells Fargo Bank, Social Security Administration, AHCCCS, USDA Natural Resources Conservation Service, U.S. Probation, Diné College, and Child Support Enforcement Program. Additional retail and office space will be constructed over the next five years until the 15-acre site is fully occupied.

Managed by DCI Shopping Center, Incorporated (DCISCI), this was the first full-service shopping center in the Navajo Nation and has served as a model for the development of shopping facilities in other Navajo Nation towns. A unique master lease arrangement allows tenants to lease space directly from DCISCI without having to obtain BIA or tribal approval.

In June 1987, the Tséyi' Shopping Center received the U.S. Department of Housing and Urban Development's highest award and the first ever presented to an Indian community development corporation or an Indian Tribe — the **Award for National Excellence**.

The center provides employment for over 180 people and generates sales surpassing \$17.5 million.

2. EMPLOYERS

There are over 800 employers on the Navajo Nation (**Table No. 15**) including various Navajo Nation Govt. offices, the Chapter houses, as well as, the Navajo government offices located in off-reservation communities. If we exclude these Navajo Government offices, the number of employers comes down to 664, of which 243 are Navajo and 421 are non-Navajo employers.

The backbone of any economy, as mentioned above, is its Basic Industries, of which Manufacturing is the most important one. It has a very high multiplier effect. It has been calculated that creation of one job in Manufacturing creates 3 jobs somewhere else. According to Standard Industrial Classification (SIC) code, 7 establishments on the Navajo Nation fall into the category of Manufacturing. However, only FIVE of these – Mechtronics of Arizona, Raytheon Missiles Company, and Tooh Dineh Industries, Cabinet Southwest, Inc. and Gallup Camper Sales Manufacturing - can be considered as Manufacturing companies in the true sense of the word.

Agriculture is another sector in the Basic Industries. Though there are a number of tiny farms scattered across the nation, only the Navajo Agricultural Products Industry (NAPI) can be considered a Basic Industry.

Then, there are 13 hotels and motels on the Navajo Nation, whose primary source of revenue are tourists. This sector has very high potential for development. But, at the moment, hotels and motels constitute a very small fraction of the Navajo economy.

Service sector, which includes all the schools, hospitals, and hotels and motels, is the most dominant employer on the Navajo Nation. On December 31, 2001, this sector had a total of 254 employers (31.6% of the total employers). Total number of people employed by this sector was 15000 or 46.27 percent of the total employment on the Navajo Nation. Government Sector had 198 employers (24.63% of the total employers) including Chapter houses and Navajo government offices including those in off-reservation communities, and with 8,891 people working in this sector, accounted for 27.42% of the total employment on the Navajo Nation, which is up in comparison to past

years. Sector by sector employment and related figures have been presented in **Table No. 18 and 19**. **Table No. 20** portrays percentage of basic industry-employment in the developed countries.

A. Major Employers:

Navajo Government is the largest employer on the Navajo Nation. In 2001, all three branches of the Navajo Government together employed 7,978 individuals, of which 7,814 were Navajos and 164 non-Navajos. It had employees at 145 locations including all the Chapter houses. The total salary and benefits disbursed amounted to \$178,387,760.0.

In terms of numbers of individuals employed, State of Arizona occupied the second position. A total of 4,249 individuals were employed with the State of Arizona, a vast majority of whom were employed with various school districts run by the State of Arizona.

Navajo area Indian Health Services (NAIHS) was the third largest employer on the Navajo Nation. A total of 3,037 individuals were employed with the NAIHS, of which 2,366 were Indians and 671 non-Indians. These numbers do not include individuals who were employed in Gallup or in Winslow. In terms of total salary and benefits paid, NAIHS ranked second.

Office of Indian Education Program under the Bureau of Indian Affairs ranked fourth in the large employers list. Agency offices and schools run by these agency offices employed a total of 2,307 individuals all across the Navajo Nation. These numbers do not include individuals employed by the Navajo Region Bureau of Indian Affairs.

In terms of the number of people employed, State of New Mexico ranked fifth in our list of large employers. It had a total of 1,291 employees, of which 679 were Navajos and 1,291 were non-Navajos. Most of these individuals were employed with various schools run by the State of New Mexico.

However, in terms of total salary and benefit disbursed; Navajo Generating Station, Peabody Coal Mines and Four Corners Power Plant had higher numbers than the State of New Mexico. For details, please refer to **Table No. 26**.

Major employers can be divided into two broad categories – (a) Tribal Enterprises and (b) Private Sector enterprises.

(1) Tribal Enterprises:

There are 12 enterprises on the Navajo Nation, which are owned and operated by the Navajo tribe. These tribal enterprises have been listed in **Table No. 27**. Some of these enterprises are also the major employers on the Navajo Nation and have been described below (not in any order of priority):

a. Navajo Agricultural Products Industries (NAPI): Navajo Agricultural Products Industry (NAPI), established in 1970 to develop the agricultural economy of the Navajo Nation, is the sole commercial agribusiness enterprise on the Navajo Nation, and is responsible for farming the lands of the Navajo Indian Irrigation Project (NIIP). Currently, 70,000 of the planned 110,630 irrigable acres are developed. Its crops are marketed throughout the United States, Mexico, and other international markets using the "Navajo Pride" trademark. Bean, corn, potatoes, onions, pumpkins are some of the Navajo Pride products. Some of NAPI's nationally recognized customers include Frito-Lay (Pepsi Company) and Campbell's Soup. Crop and livestock revenues support all NAPI operations.

NAPI is a major employer of the region, employing 250 full-time and up to 800 seasonal employees during peak season. Subcontractors, joint venture partners of NAPI, and independent truckers employ additional workers.

NAPI channels \$55 million annually into the national economy. To date, the Navajo Indian Irrigation Project (NIIP), which consists of the Navajo Dam Reservoir and 71-mile canal, has injected an additional \$363 million into the economy. An estimated \$370 million is required to complete the project at today's cost. Other benefits from NAPI and NIIP include 287 miles of road systems, four housing projects, electrical and gas utilities, both for the public and the industry.

b. Navajo Nation Shopping Center (NNSC): In 1982, the former Advisory Committee of the Navajo Tribal Council approved a Plan of Operation for the Navajo Nation Shopping Centers (NNSC) Management. This resolution set in motion a program that would manage the Window Rock Shopping Center and grew to manage other shopping centers throughout the Navajo Nation. Since then, by the Government Services Committee of the Navajo Nation Council Resolution GSCF-13-96 has incorporated the NNSC's Plan of Operation in the Division of Economic Development's Plan of Operation.

Today, as a semi-enterprise entity with the Navajo Nation Division of Economic Development, NNSC has grown to ten shopping centers. The Dilkon shopping center is the latest one. It has been described below:

The NNSC greatly contributes to the Navajo Nation communities by providing employment, goods and services, revenues, business opportunities and increasing local commerce development.

Since the development of the first shopping center, NNSC has progressively and successfully made significant improvements in the management of its shopping centers. Supported by a staff of experienced personnel, NNSC is rapidly becoming a key trust in economic development initiatives for the Navajo Nation. This achievement is symbolic of what is yet to come in the future.

The NNSC has outgrown its current Plan of Operation in managing nine shopping centers. After a number of attempts, the NNSC has finally succeeded in its endeavor to become an independent enterprise of the Navajo Nation. Now the NNSC is in a position to manage its program affairs independently and efficiently without any influence from other Tribal Offices.

c. The Navajo Housing Authority (NHA): From May 1, 1963 to the present date, the NHA has sustained many years of progressive operations and productive management and implementation of housing funds for the Navajo Nation. However, as difficult as it may get from time to time, the NHA as the Tribally Designated Housing Entity (TDHE) continues to persevere in the provision of safe, decent and sanitary housing for low-income Navajo families on the Navajo Nation in accordance with 24 CFR, Part 1000 and 6 NNC, Section 601-628.

In the early years, the NHA received funding and support of its housing provision agenda under the 1937 Housing Act which implemented the well known Mutual Help, Public Rental, Homeownership, Section 8 Voucher and Section 184 Loan-Guarantee Programs.

The passage of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) has given tribes and Tribally Designated Housing Entities (TDHEs) incredible new opportunities. NAHASDA can be a very important tool in building sustainable, healthy communities in Indian Country. Under this Act, the Navajo Nation has so far received a total of \$453,086,267.0 to provide housing to the Navajo people in five years (between FY' 1998 and FY' 2002), averaging approximately \$91.0 million a year, which is not very different from the total annual General Fund budget of the Navajo Nation.

The Navajo Nation has an immediate need of between 20,000 and 30,000 housing units.

d. Navajo Tribal Utility Authority (NTUA): The Navajo Tribal Utility Authority (NTUA) is a multi-utility provider to the residents, schools, governmental entities, and businesses on the Navajo Nation. NTUA provides essential electrical services, natural gas services, water services and wastewater services to customers on the vast 27,000 square mile Navajo Indian Reservation in northeastern Arizona, northwestern New Mexico, and southeastern Utah.

The Authority was created by the Navajo Nation Council in January of 1959 and achieved status of an enterprise of the Nation in 1965. NTUA's Plan of Operation provides for a 7-member Management Board, which oversees the activities of the Authority. The Board Members are appointed by the Government Services Committee of the Navajo Nation Council, and each member serves a staggered 3-year term. Daily activities of NTUA are managed by a General Manager who is directly responsible to the Authority's Management Board.

NTUA is an energetic enterprise composed of over 500 employees and five Districts located in the communities of Shiprock, Kayenta, Chinle, Dilkon, and Fort Defiance, with four Sub-offices located in Tuba City, Crownpoint,

Nageezi, and Red Mesa. They provide services to approximately 31,937 electric customers, 7,046 natural gas users, 27,543 water consumers, and 11,963 wastewater service customers.

NTUA's electric power is purchased from Tucson Electric Power, PacifiCorp, Public Service Company of New Mexico, and Western Area Power Administration. NTUA does not generate any electricity but must depend on transmission agreements to deliver power to 14 delivery points surrounding the Navajo Reservation. The rates for electrical services are lower than rates provided by other utilities in the communities surrounding the Navajo Nation.

Approximately 60 MW of energy and capacity are secured in long-term power purchase contracts and about 40 MW is being purchased in the open market as needed. NTUA's peak demand reached 114,400 kW in 1999. NTUA is contemplating entering the power generation arena. Generating its own power or securing a block of generation power will assure NTUA of an adequate supply of low cost electricity. Growth over the next decade is estimated to be approximately 3% per year.

NTUA's purchase of natural gas is from El Paso Marketing, which delivers cost-efficient gas to delivery points in New Mexico and Arizona. Currently, NTUA is in the process of completing its 4-inch main line extension to the community of Crownpoint, New Mexico, where a town distribution system is planned.

Water is essential to the development of the Navajo Nation. Capital investments of over \$230 million in water and wastewater infrastructures have been made by the U.S. Indian Health Service on the Navajo Reservation. The operation and maintenance of the vast systems have been delegated to the Navajo Tribal Utility Authority. Water rates are competitive and are equal to or slightly higher than in the surrounding municipalities in the area. Water revenues are generally sufficient to meet operating expenses.

NTUA is completing its mapping project wherein a new Geographical Information System (GIS) is being installed. The completed project will identify and monitor all of NTUA's utility systems, electric, natural gas, water and wastewater main lines, distribution laterals, meters, poles, and related appurtenances. The GIS system will greatly enhance NTUA's ability to provide utility services at the lowest reasonable cost to its customers.

NTUA's goal is to strive for excellent service to its customers and to meet the challenges of the future.

e. The Navajo Nation Hospitality Enterprise: In October 1982, the Navajo Tribal Council established the Navajo Nation Hospitality Enterprise (NNHE), as an enterprise of the Navajo Nation. The Enterprise is organized for the purposes of establishing an independent, financially self-sustaining, and successful Navajo business enterprise which will generate revenue for the Navajo Nation, provide employment and training opportunities to the Navajo people, provide commercial office space, and provide professional motel and restaurant services and quality facilities to the traveling public.

At the time of establishment, NNHE consisted of one property, the Navajo Nation Inn, located in Window Rock, Arizona. NNHE has grown significantly during the past years. The growth includes expansion of the Navajo Nation Inn, adding the office complex and renovating and expanding the restaurant. Additionally, three new properties have been built or acquired: Navajo Travel Center, Haskeneini Restaurant and Tuba City Operations.

Descriptions of the NNHE properties follow:

(i) Navajo Nation Inn, Window Rock Arizona

56 room hotel
260 seat restaurant
Gift shop
11,548 square foot office complex

The rooms were refreshed with new carpet, mattresses and soft goods during 2002. Additionally, satellite television and a small business center including Internet access were added for guest convenience.

Exterior improvements during 2002 included new stucco and painting, split-rail fencing, completion of a new patio area, and landscaping.

Other interior improvements included: new banquet room carpet, paint in the gift shop, lobby, restaurant and banquet rooms, and new office complex carpet in selected areas.

All of these renovations were funded from current operations.

The Navajo Nation Inn property employs approximately 72 people and has revenues of approximately \$1.9 million annually.

(ii) Navajo Travel Center, Navajo Arizona, opened July, 1995

Texaco service station and convenience store
Subway restaurant

The Navajo Travel Center was designed and built by NNHE. The site is leased from the Office of Navajo Hopi Indian Relocation (ONHIR). The lease includes an option for additional land for further expansion. The project was funded by a loan from the Division of Economic Development and a grant from ONHIR.

The store inventory was expanded offering novelty gift shop items including T-shirts, Route 66 memorabilia, hot sauces, toys, books, magazines, and etc.

ONHIR provided grounds clean up and tree trimming to assist with curb appeal. A small sitting area with benches was also added during 2002. All of the Travel Center's billboards were redesigned to appeal to the traveling public during 2002.

The Navajo Travel Center employs approximately 19 people and has revenues of approximately \$2.8 million annually. The revenues of the Travel Center have grown from \$1.4 million in 1996, the first full year of operations.

(iii) Haskeneini Restaurant, Monument Valley, opened November, 1996- Closed November 2000.

200 seat restaurant

The Haskeneini Restaurant was operated through a concession permit from the Navajo Parks Department which expired and was subsequently terminated in November of 2000.

The concession permit with the Navajo Parks Department is currently in the "Request for Proposal" stage. NNHE will pursue the contract in anticipation of reopening the restaurant and adding a gift shop and other operations in Monument Valley.

(iv) Tuba City Operations, Tuba City Arizona, acquired December, 2000:

80 room Quality Inn Hotel
325 seat Hogan Restaurant
31 space recreational vehicle park, including 5 tent spaces
Tuba City Trading Post and Convenience Store
The operations include approximately 6 acres of fee simple land

The Tuba City Operations were acquired December 1, 2000 from a privately held company. The purchase price and related costs were \$5.4 million, which were financed with a commercial lender. The debt is secured by a certificate of deposit pledged by the Navajo Nation.

The Tuba City Operations employ approximately 72 people and has revenues of \$3.0 million annually.

Goals: The future plans for the Navajo Nation Hospitality Enterprise include improved profitability, continued renovation and further acquisitions or expansion.

f. Navajo Engineering and Construction Authority (NECA): Navajo Engineering and Construction Authority (NECA) was established on June 13, 1972 as a wholly owned enterprise of the Navajo Nation. Since that time NECA has developed into one of the most capable heavy construction/highway contractors operating within the boundaries of the Nation. The primary purpose of NECA is to provide Navajo Nation owned construction capabilities on behalf of, and for the benefit of the Navajo people, as well as to provide increased financial benefit to the Nation and to provide employment and training to the people of the Nation. The established place of business for NECA is Shiprock, NM.

NECA provides a wide variety of construction services for its clients, and operates primarily within the boundaries of the Navajo Nation. Annual revenues have exceeded \$45 million for the past several years. The majority of NECA's activities involve the construction of infrastructure projects including roads, highways, bridges, dams, waterlines, sewerlines, watertanks, irrigation facilities, and water/wastewater treatment facilities. Over the years NECA has also performed a significant amount of reclamation work for the uranium and coal industries. NECA owns an extensive equipment fleet that is well maintained and continually upgraded.

NECA also enjoys the benefits of an experienced and well trained workforce. As a construction company operating in a seasonal environment, employment levels at NECA fluctuate throughout the year. In the winter months employment levels drop significantly since construction activity typically slows during this time of year. In the spring, summer, and fall months, our employment peaks at levels in excess of 500 full time employees. Our annualized average employment levels typically exceed 450.

NECA has successfully supported the economy of the Navajo Nation through the creation of hundreds of jobs for the Navajo people. These jobs have provided stability for the individual workers and their families, as well as generated millions of dollars annually in wages. In recent years, total payrolls have exceeded \$10 million annually. These payrolls in turn provide employees the opportunity to support local businesses in their communities. NECA has consistently demonstrated an ability to perform profitably, and has returned dividends to the Navajo Nation annually since 1992.

g. Navajo Nation Oil & Gas Company (NNOGC): NNOGC was created by the Navajo Nation in December 1993 by Resolution EDCO-89-93. From its inception, the company was designed to assist in achieving goals of the Navajo Nation for development of its energy resources. NNOGC is wholly owned by The Navajo Nation, with the shareholder being represented by the Navajo Nation Oil & Gas Company. From its inception, the company was designed to assist in achieving goals of the Navajo Nation for development of its energy resources. The Navajo Nation contributed \$500,000 for the development and implementation of NNOGC's operations. In 1999, NNOGC returned the Nation's original investment of \$500,000 in the form of dividends.

In December 1997, the Secretary of the Interior approved the federal articles of incorporation for NNOGC. Reincorporation as a Section 17 corporation ensures that the company will be exempt from federal income tax for business conducted outside the Navajo Nation.

NNOGC's downstream operations include its Wholesale and Retail Operations. NNOGC secured the Chevron jobbership in 1996. Chevron's reputation for quality products, service and image enhance NNOGC's market position and, thereby, increases profitability. NNOGC's fuel jobbership distributes Chevron products, supplied directly by Chevron, USA, and unbranded products, supplied by Giant Refinery. NNOGC continues to serve seven Chevron locations on the Navajo reservation and other unbranded sites. The Company's retail operations consist of six company-owned retail facilities in Window Rock, Kayenta, Tohatchi, Chinle, Blue Gap and Cortez. The Cortez Chevron is the company's first off-reservation location. The Company has also acquired a station at Blue Gap, Arizona, and is upgrading that station to meet the high standards that the public has grown to expect of the Navajo Nation Oil and Gas Company.

NNOGC's midstream and upstream operations include Crude Oil Marketing and Exploration, Production and Transportation. In August 1995, the Navajo Nation sold its royalty-in-kind crude oil to NNOGC. NNOGC markets the oil through Enron Oil Trading and Transportation. This benefits the Nation by allowing it to capture premiums above the crude oil posted prices.

In 1999, the Company was delegated the authority from the Navajo Nation government to negotiate a gasoline excise tax sharing agreement with the State of Arizona. The Company concluded those negotiations, and Arizona and the Nation agreed, in essence, that the Navajo Nation would impose its own gasoline excise tax of 18 cents per gallon for all gallons sold on the Navajo Reservation, and that the tax would be divided as follows: Arizona would accept 0.6 cents of the 18.0 cents, and the Navajo Nation would accept 17.4 cents of the 18.0 cents. Subsequently, the Navajo Nation Council enacted the Navajo Nation Fuel Excise Tax, and executed the tax sharing agreement as negotiated by the Company. This has resulted in approximately \$10 million per year additional funds for the Navajo Nation treasury. The Council has recently passed a resolution dedicating this new income stream for road construction and maintenance.

In 2002, the Company purchased the gathering pipelines and the Texas-New Mexico Pipeline from Giant Industries. The Company, after several months of transition and training, is now operating the pipeline system, with tariffs established by the federal Department of Transportation.

In addition, the Company purchased a 10.3% interests in the Ratherford Unit in the Aneth area. The purchase of these producing properties has proved to be prudent and profitable, especially in light of high crude oil prices in recent months. The Company almost immediately added to its upstream business unit by negotiating Mineral Exploration and Development Agreements with the Navajo Nation for two tracts, Canal Creek and Echo House Mesa. This negotiation followed many months of examination of seismic data, which suggest that these two tracts may have significant reserves of oil.

The Company's acquisitions in the upstream and midstream areas has not come at the expense of its retail operations.

The Company is well on its way to becoming a fully integrated petroleum company. Because of its expanded operations the Company's Board of Directors has decided to build corporate offices at the Karigan development, and construction is expected to begin on these offices in the summer of 2003.

h. KTNN/KWRK Radio Station Enterprise: KTNN Radio Station Enterprise (KTNN) is a 50,000-watt AM clear channel, commercial radio broadcast operation licensed to the Navajo Nation by the Federal Communications Commission (FCC). KTNN operates at AM frequency 660. 50,000 AM watts is the strongest radio signal allowed for commercial broadcasting. The FCC discontinued licensing 50,000-watt channels and the Navajo Nation was the fortunate recipient of the last 50,000-watt AM signal in the United States. The Navajo Nation is recognized as the only Indian nation licensed to operate a 50,000-watt AM broadcast facility.

KTNN began broadcasting on February 28, 1985 from its studios located in Window Rock, Arizona on the Navajo Nation. KTNN is engaged in the delivery of bilingual (Navajo and English) entertainment, information and advertising to mostly the Navajo Nation during its daytime broadcast operations. But at night, when the 50,000-watt signal goes directional, KTNN's coverage area expands to most of the western United States, including parts of Canada and Mexico. As a tribally owned for-profit enterprise, KTNN's broadcast operation is governed by a Plan of Operation, which is approved by the Economic Development Committee of the Navajo Nation Council. The Economic Development Committee has oversight authority over a five-member KTNN Board of Management Directors.

KTNN's revenues are derived totally from sales of advertising spots to businesses in all communities within and surrounding the Navajo Nation. Typical advertisers are service providers, retail goods providers, government agencies, political office candidates, and religious organizations. KTNN competes with other media such as other radio stations, print media, yellow pages, and television for the same Navajo dollar.

There are two primary listening audiences for KTNN; 1) the Navajo people living on and around the Navajo Nation, 2) Navajos and Native Americans living in areas covered by KTNN during its nighttime broadcast hours.

The necessity for radio continues to exist particularly within the boundaries of the Navajo Nation. A recent study portrayed 82% of Indian households did not have telephone access. Even less households have access to a television. The only technological means for obtaining information and entertainment for many Navajos is through radio. KTNN was established to fill this void.

In 2002, KTNN's budget for payroll and other compensation totaled \$695,000 for the two radio stations managed and operated by KTNN. Sales budget totaled \$1,200,000. Currently, over 80% of personnel employed by KTNN are Navajos. Current staffing pattern is as follows:

- Upper Management, 3 Navajos
- Announcers 5 Navajos and 2 non-Native
- Sales 3 Navajos
- Other regular staff 10 Navajos

KTNN also employs various other individuals on temporary basis as needed.

In 1996 KTNN completed construction of a 100,000-watt FM broadcast facility to expand its services to meet the consumer's demands for information and entertainment in the changing socio-economic environment of the Navajo Nation. With the FM station, we are reaching a different demographic target group not being served by KTNN. Equally important was the necessity to place the Navajo Nation on a more competitive field in the broadcast industry and to foster the development of minority-owned broadcast facilities. The call letters assigned to this FM broadcast band is KWRK operating at FM frequency 96.1.

The 100,000-watt signal reach for KWRK FM is a 70-mile radius encompassing communities from Ganado, Houck, Window Rock, Fort Defiance, Sheep Springs, and Gallup.

i. Navajo Arts and Crafts Enterprise (NACE): Navajo Arts & Crafts was established in 1941 as a Navajo Nation economic enterprise to promote traditional Navajo arts & crafts. The goal was also to improve the quality of workmanship and to assist Navajo artisans in marketing their products. With over 50 years of experience in marketing a craft that spans centuries, NACE takes pride in offering only the finest in quality genuine Navajo products. Many designs express the artistic and interpretive ability of the Navajo craftsmen in pieces that depict and incorporate Navajo mythology, Mother Nature, animals, etc. The use of natural materials and stones such as wood, buckskin, turquoise, coral and other semiprecious materials is exemplified in every piece. Each item is guaranteed to be authentic and handcrafted – an art unique to the Navajo and the Southwest. The Navajo people have excelled in various crafts for hundreds of years, and by the mid-eighteenth Century became accomplished weavers, basket and pottery makers. The Navajo artisan also learned ironsmithing and later adapted this craft into silversmithing, and a wide variety of silver items developed. Today, Navajo hand-woven rugs, silver jewelry, baskets, pottery, paintings and other crafts are in high demand worldwide.

Over time some Navajo artisans became so adapt at their craft that they produced extra products for sale as a means to support their family and to augment cattle, horse and sheep sales, and other trading activities. As skills and markets developed for these artisans competing products and counterfeit products began appearing in the market place placing the legitimate Navajo craftsman in jeopardy.

Tribal leaders recognized the need to be better represented in the market place, and in 1941, chartered the Navajo Arts and Crafts Guild to better market Navajo-made products and counter the increasing supply of imitation items. The "Guild" was changed to an "Enterprise" in 1971 and exists today as the only Navajo Nation-owned business enterprise engaged in the purchase and sale of Navajo arts and crafts, and through this marketing channel functions as a defense against competing products flooding the market place, and eroding the livelihood of the Navajo artisan and craftsman.

At the present time Navajo Arts and Crafts Enterprise (NACE) operates several retail stores on and near the Navajo Reservation to include locations at Cameron, Chinle, Grants, Kayenta, and Window Rock. NACE also operates a mobile store, which travels to remote areas servicing the needs of the isolated Navajo craftsman and also markets a limited supply of finished goods. There is an important production shop and repair facility located within the

Window Rock location. In addition, NACE operates a production facility in Alamo where many skilled artisans and craftspeople provide products to NACE.

NACE takes enormous pride in being the only Navajo Nation-owned arts and crafts business servicing the needs of the Navajo artisan and craftsman. NACE is the only Navajo Nation-owned business representing the cultural heritage of Navajo people through the sale of Navajo art and crafts to the general public. And unlike competing businesses in border towns, NACE is not a pawnshop taking advantage of financially destitute individuals. These three factors set NACE apart from its competition and makes Navajo Arts and Crafts Enterprise unique.

j. The Navajo Transit System (NTS): The Navajo Transit System (NTS) is the sole public road transportation system on the Navajo Nation. It started its operation in 1980. Currently, it has 23 buses and 3 vans with a total seating capacity 847 passengers. It is chartered to operate in 20 states and the District of Columbia. The ridership and revenue from the NTS's seven-fixed route service have been presented below:

Total passengers	Total Revenue
FY' 97 – 70,437	FY' 97 - \$132,092.0
FY' 98 – 71,822	FY' 98 - \$134,699.0
FY' 99 – 76,038	FY' 99 - \$145,667.0
FY' 00 – 75,122	FY' 00 - \$147,427.0
FY' 01 – 81,415	FY' 01 - \$151,175.0
FY' 02 – 78,403	FY' 02 – \$146,824.0

The ridership and revenue from NTS's charter and special operations service have been presented below:

Total passengers	Total Revenue
FY' 97 – 4,287	FY' 97 - \$ 79,078.0
FY' 98 – 8,262	FY' 98 - \$173,847.0
FY' 99 – 9,078	FY' 99 - \$139,800.0
FY' 00 – 10,575	FY' 00 - \$256,152.0
FY' 01 – 10,483	FY' 01 - \$263,236.0
FY' 02 – 24,476	FY' 02 - \$220,575.0
FY' 03 – 1,812 as of 3/03	FY' 00 - \$57,123.0 as of 3/03

Navajo Transit has 10 Bluebird Luxury Tour Coach (LTC) for charter services.

k. The Navajo Times: The Navajo Times is the largest Native American owned weekly newspaper in the world with a worldwide readership of over 100,000 each week. Located in Window Rock, Ariz., the Navajo Times each week prints and distributes 19,000 copies throughout the Navajo Nation and all of its border towns by way of route carriers in addition to 1,300 mail subscriptions.

The Navajo Times also has one of the busiest websites in the world for small newspaper publications with at least 7,500 visits each day and millions each month. The Navajo Times website can be found at: navajotimes.com

Begun as a government newsletter in 1959, the Navajo Times was copyrighted and began publishing as a tabloid on August 4, 1960. Since then, except for 1984-87 when the Navajo Times TODAY was a daily publication Monday through Friday, the Times has remained a weekly publication.

For a newspaper its size, the Navajo Times has a small staff made up of 13 full-time employees, six part-time employees, and eight route carriers. All of the Navajo Times staff are Native American with most of them being of Navajo heritage. The staff prides itself on the fact that no other Native American owned newspaper publishes and prints its own newspaper and other publications at its own facilities. The Navajo Times staff produces the entire weekly edition including reporting, writing, editing, photography, illustrations, layout and design, legal and classified advertising, display advertising, circulation and printing. The Navajo Times also has a busy business office.

In 1998, the Navajo Times traded in its old 1972 model Heidelberg printing press for a brand new \$1.2 million, six-unit Heidelberg-Harris Printing Press. The new press is quite efficient and allows the Times to fill its pages with lots of lively full color photos, artwork and illustrations.

The Navajo Times is an award-winning member of several newspaper associations, most notably the Native American Journalists Association from which the Navajo Times has received many honors and awards each year. The Times is also a member of the Arizona Newspapers Association and the National Newspapers Association.

In September 2000 the University of Missouri School of Journalism awarded the Navajo Times its Missouri Honor Medal of Distinguished Service in Journalism at a formal ceremony held on its Columbia campus.

Navajo Times Department Director Tom Arviso Jr. recently returned to work in July after successfully completing a journalism fellowship at Stanford University in Palo Alto, Calif. Leland Stanford Junior University awarded Arviso with its prestigious John S. Knight Fellowship in Journalism for the 2000-2001 academic year. Arviso is the first Native American to have been awarded this honor.

The Navajo Times has been owned by the Navajo Nation Government since its inception but the Times is currently in the process of breaking itself away from government ownership and hopes to become a Corporation of the Navajo Nation. This will give the Navajo Times more editorial and business independence with the ultimate goal of being totally private with Navajo shareholders owning a daily newspaper.

The future looks bright for the Navajo Times and so do its colorful pages. For more information about the Navajo Times, you can write to: P.O. Box 310, Window Rock, AZ 86515; or you can call their office in Window Rock at 520-871-6641 or 6642.

I. Dineh Power Authority (DPA): Navajo Transmission and Generation Project: The DPA is an enterprise of the Navajo Nation, established by the Navajo Nation Council pursuant to resolutions CN-87-85 and CJA-2-96, and the authority of DPA is codified at 21 N.C.C. § 201 et seq. DPA is authorized to participate in energy development projects that provide ownership, design, financing, and operation of the projects, and to sell, wheel or distribute power, energy and transmission services from these projects.

DPA is developing a 470-mile 500 kV alternating current (AC) transmission project that will extend from the Four Corner to southern Nevada. The high-voltage line is expected to increase regional power transfer capability, reduce system losses, and improve the operating flexibility of the lines in the area. The NTP is expected to provide 1200 to 2000 megawatts (MW) of added transmission capacity in the WECC transmission system. This capacity will allow for new power generation development in excess of 500 MW that DPA is pursuing. DPA assessed ten potential transmission routes consisting of 2,100 miles of land for an electrical transmission line between the Four Corners area and southern Nevada.

The U. S. Bureau of Land Management (BLM) is the new lead federal agency for the NTP.

On July 25, 2002, DPA signed a letter of intent with Trans-Elect Inc., a national independent transmission company, to continue the development of the NTP. A final draft of a development agreement is under negotiation with Trans-Elect for the next phase of the NTP to finance, build and operate the NTP. Trans-Elect, Inc, has established a subsidiary called the New Transmission Development (NTD) Company to develop, finance and operate the NTP whenever the requisite agreements are put in place.

The Resources Committee has approved the grant of ROW for the NTP, and the assessed consideration for the grant of ROW was \$14.9 million that would be due to the Navajo Nation. Additionally, an assessed consideration of \$79.0 million was contributed on behalf of DPA as equity towards the project.

On February 3, 2003, DPA entered into a confidentiality agreement with Steag Power, LLC, of Houston, Texas, to review existing information and plan due diligence activities for a potential power plant in the Four Corners area. A site suitability study is being conducted, and an environmental impact analysis is being planned. Based on new information, the power generation projects will proceed forward. The economic benefits will be revenues, jobs,

power infrastructure, and ancillary services, as well as the economic multiplier effect from the additional income. Several hundred jobs will be created during construction and several dozen permanent jobs after the operations commence. Additionally, DPA and RockPort will continue to look for opportunities for gas-fueled power generation development in the southwestern energy market.

The total funds expended on the DPP and the NTP is about \$24 million with \$4.3 million going towards the DPP and nearly \$19.7 million expended on the NTP. The \$24 million represents about 4% of the estimated NTP cost of \$600 million. This week we received a copy of the Congressional conference agreement that included \$400,000 for DPA to continue development of the NTP. At DPA's request and with the assistance of Johnston and Associates of Washington D.C., Senator Bingaman has included in S.424, the Indian Energy Bill, language that specifically authorizes DPA to receive grants in the future.

(2) Large Employers in the Private Sector:

Private businesses are the basic foundation of an economy. Even though the Nation does not have as many private businesses as we would like to see, there are at least a few, which play very important role in the economy of the Navajo Nation. Some of these employers have been described below (without any order of preference):

a. Tooh Dineh Industries, Incorporated: From a three person precision machine shop begun in 1983 in an unused boarding school dormitory, Tooh Dineh Industries, Incorporated (TDII) has grown to become the largest electronics manufacturing firm in northern Arizona. It is currently ranked as the world's 85th largest contract manufacturer by Electronic Business.

Tooh Dineh Industries, Inc. is a wholly-owned subsidiary of Dineh Cooperatives, Incorporated and is located in the Navajo Nation Community of Leupp, just 45 miles from Flagstaff, Arizona. Its highly trained workforce of over 130 employees manufactures high-quality electronics for the information, communications and transportation industries. The company's 2002 payroll was \$2.4 million and its worldwide sales exceeded \$12.5 million. TDII is a sole source supplier to such major corporation as Apple Computer, General Motors, Hewlett-Packard, and Motorola. The firm achieved ISO 9002 certification in 1996.

Tooh Dineh Industries has expanded steadily over the years, now occupying 55,000 square feet of space devoted to turnkey and consignment contract manufacturing. TDII also provides board repair services for Apple Computer and General Motors.

b. Navajo Communications Company (NCC): Telephone services on the Navajo Nation are currently being provided by the Navajo Communications Company (NCC). Currently it is called the Frontier Company.

NCC's central office switches and inter-exchange network are 100% digital. It has 630 miles of aerial cable, 870 miles of buried cable that includes 184.1 miles of fiber optics. Before the year-end, NCC will add 143 additional miles of fiber with approximately the same growth within the next 3 years. The network is made up of 21 microwave repeaters, 12 OPAC, 70 digital sub-carriers, 10 sub-carriers and 2 BETRS radio systems.

In the year 2000, NCC added 11 communities to the Internet and will continue to roll out new technologies such as ATM/frame relay switch, wireless applications, and additional upgrades from copper and microwave to fiber transport. It will continue to add new customers by improving our cable plant and digital carriers. NCC is continuously looking to latest technology to serve its Navajo Nation customers.

NCC Systems Incorporated is the largest provider of cable TV on the Navajo Nation, and has 4,000 subscribers. NCC/NCCSI has a professional staff of 108 employees, 95% of which are Native Americans. In 2002, its payroll including benefits exceeded \$5.9 million. Its annual capital and operational expenses exceed \$20.0 million.

c. MechTronics of Arizona: MechTronics of Arizona is located in Fort Defiance; the facility has changed its name and ownership a number of times since it opened in 1967. Initially the facility was a part of General Dynamics Corporation. It was in operation until 1992. Hughes Aircraft, owned by General Motors briefly took over. In 1993 Delphi Automotive took over the plant and started constructing aircraft wiring assemblies/wiring harnesses for the defense industry, including radar and aerospace applications.

At its peak in 1995, Delphi Automotive, at that time, employed about 500 people inside its plant on Navajo Route 54. Employment is now down to 91.

In August 2001, The Navajo Facility was acquired by Mechtronics of Arizona. The Navajo Facility is a complimentary addition to MechTronics existing facilities bolstering MechTronics' market advantage as a single source solution for electromechanical manufacturing. MechTronics serves the military and commercial aerospace industries with these broad capabilities.

Mechtronics (www.Mechtronics.com) has been in business since 1947 and became a Ducommun (NYSE: DCO; www.ducommun.com) company in 1996. MechTronics employs approximately 300 people and is comprised of two facilities -- one in Phoenix, Arizona (100,000 square feet) and MechTronics' Navajo Facility (60,000 square feet). Combined manufacturing capabilities encompass complete electromechanical fabrication capabilities including precision machining, sheet metal fabrication, electronics assembly, testing, and integration. All secondary assembly operations are done in-house including, welding (spot and arc), structural bonding, mechanical assembly, plating, painting, silk-screening, engraving, and wave-soldering.

In October of 2001, MechTronics of Arizona's Phoenix and Navajo Facilities merged with a sister division; Ducommun Technologies, Inc., creating a business unit with electrical, machining and integrative capability sufficient to compete at component up to complete sub-system levels, as a Tier 1 Supplier of sub-systems to prime contractors.

Individuals and companies interested in doing business with, or finding out more about MechTronics of Arizona and its Navajo Facility should contact David Ryan, Navajo Facility General Manager, at (928) 729-6511, or Vince Tamburrelli, MechTronics of Arizona Corp. Sr. V.P. Sales and Engineering, at (602) 243-3000.

d. Four Corners Power Plant: The coal-fired Four Corners Power Plant is the first mine-mouth generating station built to take advantage of the large deposits of sub-bituminous coal in the Four Corners region. It marks the commitment of APS made more than 30 years ago to use coal as a primary generation fuel.

Construction of Four Corners Units 1 & 2 (each rated at 170 megawatts) began in 1961. They went into commercial operation in 1963. Unit 3 (220 megawatts) began producing electricity in 1964 while Units 4 & 5 (rated at 740 megawatts each) began commercial operation in 1969 and 1970 respectively.

Four Corners' total generating capacity is 2,040 megawatts, enough to power more than 300,000 homes. It is one of the largest coal-fired generating stations in the U. S. The total original cost of all five units was \$283.0 million.

The low-sulfur coal burned at Four Corners comes from the adjacent Navajo Mine, operated by BHP Minerals. The five boilers burn an average of 28,000 tons of coal a day, or about 10 million tons annually.

Cooling water for all five units comes from the man-made Morgan Lake, adjacent to the Plant.

Four Corners delivers power through its switchyard to utilities in Arizona, California, New Mexico and Texas.

APS operates the entire plant and is the sole owner of Units 1, 2, & 3. Ownership of Units 4 & 5 is divided among six southwestern utilities: APS owns 15%; El Paso Electric Company owns 7%; Public Service Co. of New Mexico owns 13%; the Salt River Project owns 10%; Southern California Edison Co. owns 48%; and Tucson Electric Power Co. owns 7%. The Four Corners Power Plant is situated on Navajo Tribal land and over 67% of its 700 employees are members of the Navajo tribe. An annual payroll of more than \$41.0 million boosts the local economy.

Environmental Considerations: Four Corners Units 1, 2 and 3 are equipped with a wet venturi scrubber system for control of both sulfur dioxide (SO₂) and particulates (flyash).

The original cost of the scrubber system for Units 1,2 & 3 was nearly \$27 million but upgrading over the years has brought the cost to approximately \$48 million. The baghouses for Units 4 & 5 cost \$170 million and the scrubber system for these two units carries a price tag of \$275 million. (This translates to an extra \$1 per month on a \$70

APS electric bill). In 1989-1991, units 3, 4 & 5 were retrofitted with low NO_x burners in order to bring the plant into compliance with New Mexico regulations concerning the release of Oxides of Nitrogen (NO₂) into the atmosphere. These burners were installed at a cost of about \$50.0 million.

APS generators are linked to major energy-use centers, to each other, and to neighboring utilities by network of more than 2,200 miles of high-voltage transmission lines.

The total generating capacity of all APS generating stations is now 4,013,910 kilowatts and is growing.

California Edison Company, which owns 48% of the units 4 & 5, is planning to sell its share. APS has bided to acquire that portion.

e. Navajo Mine: Navajo Mine is one of the largest employers on the Navajo Nation. This mine is operated by the BHP Minerals. Coal produced here is used by the Four Corners Power Plant. The five boilers of this plant burn an average of 28,000 tons of coal a day, or about 10 million tons annually.

In December of 2001 this mine had a total of 328 employees and its total salary and benefits for the whole year of 2001 exceeded \$32 million.

f. Raytheon Missile Systems Company - NAPI Facility: The RMS-NAPI Facility (formerly Hughes Missile Systems Company) broke ground in September 1988 and opened on June 30, 1989.

The RMS-NAPI Facility is located 7 miles South of Farmington, NM and is accessible via Air from Albuquerque, Phoenix, and Denver. The Facility is located on the Navajo Agricultural Products Industry (NAPI) industrial park with a total of 42,000 square feet with potential growth on a 25-acre site. Of this, 28,000 square feet is occupied by production workstations and administrative offices. The facility is sized to fit approximately 2000 employees on a 1-8-5 shift and is environmentally controlled for lighting, temperature, and humidity.

Facility Construction and production equipment was financed through the Navajo Nation on a Lease Back arrangement. RMS was awarded a 15-year lease in 1989 and three 6-year lease for the equipment. The total cost to the Navajo Nation was approximately \$6.0 million.

RMS-NAPI Facility currently employs an average of 100 individuals with 93% highly skilled Navajo population. RMS has developed self-directed, highly skilled, strong and diversified workforce. RMS offers exceptional solder workmanship and on-site production engineering supporting the following categories: Electrical, Industrial, Computer, Mechanical, and Manufacturing. Our performance driven Product Teams provide excellent quality in workmanship, exceptional record of on-time delivery, and a World Class Environmental, Health, and Safety rating.

The RMS-NAPI Facility manufactures and integrates: electromechanical systems, interconnect assemblies, and complete launcher systems for all branches of the US Military Services. This amounts to fourteen different missile programs.

Prior to employment, all training is contracted with the Navajo Department of Workforce Development and San Juan Community College through their Business & Industry Training Center. This process is unique as it brings together a co-op of business, technology and academia to the classroom in the form of specific curriculum. Training includes Quality Awareness, Electronic Assembly, and Mechanical Assembly. Over 400 Native American students received training designed to meet Raytheon's requirements.

The RMS-NAPI Facility has also instituted a Manufacturing Verification Program (MVP). The main objective of the program is to reduce and eliminate traditional costly inspections. After successful completion of MVP program, operators are capable of verifying their own work to meet standards during random audits. The RMS-NAPI Facility achieved a 5.28 Sigma Quality rating in 1999.

The economic impact is exceptional. The RMS-NAPI Facility generates \$1.2 million in local operating expenditures, \$62.5 million in Annual Product Value, and supports the local economy with an annual payroll of \$2.5 million. The RMS-NAPI Vision Statement is – To be the world class provider of diversified labor intensive

products utilizing the highly skilled Navajo workforce. Our Mission is dedicated to achieving our customers needs through high performance teams, while offering job satisfaction for our employees and honoring the cultural diversity of our workforce.

g. Navajo Generating Station: The Navajo Generating Station is a three unit, coal fired steam electric generating plant with a total net output rating of 2,250 megawatts, located within the Navajo Nation five miles southeast of Page, Arizona.

The station includes a 76-mile long electric railway. The railroad transports the plant coal requirement of approximately 8 million tons per year from Peabody Western Coal Company's Kayenta mine located on Black Mesa. Lake Powell supplies approximately 30,000 acre-ft of water per year to make up for evaporation from the plant's cooling towers and scrubbers.

NGS is owned by the United States Bureau of Reclamation (24.3%), SRP (21.7%), Los Angeles Department of Water and Power (21.2%), Arizona Public Service (14.0%), Nevada Power Company (11.3%), and Tucson Electric Power (7.5%). SRP is the operating owner of the plant.

The plant was initiated in 1968 as an alternative method of meeting the power needs of the Southwest after a major hydroelectric project was blocked. The units went into commercial operation in 1974, 1975, and 1976.

Original construction cost of the plant was \$650,000 million, including \$200 million for pollution control equipment. Scrubbers have subsequently been installed to remove 98% of the sulfur dioxide from the flue gas emitted through the plant's three chimneys. The scrubbers were placed in service in 1997, 1998, and 1999. The capital cost of the scrubbers was \$430 million.

The total number of permanent employees at the plant is 535, with 57% of those being Native Americans. There are also approximately 300 seasonal employees hired by the plant, with 85% of those being Native Americans. The plant's annual payroll is more than \$47 million.

h. The Pittsburg & Midway Coal Mining Co. (P&M) McKinley Mine: The McKinley Mine began operation at its facility located south of highway 264 near Blackhat New Mexico in 1962. In the early seventies the operation expanded to its current size and location with approximately 15,000 acres of the lease being located on the Navajo Nation. P&M itself (Pittsburg is spelled without an "h" on the end) was granted a charter of operation in the state of Kansas in May of 1885.

The McKinley Mine is a surface coal mine with a production capacity of 6.5 to 7.5 million tons annually depending on market. Out of the current top 29 major surface coal mines in the United States, McKinley Mine is ranked 24th based on annual production.

The McKinley Mine is a dragline operation using four Bucyrus Erie 1370-W Walking Draglines with a bucket capacity of 63 cubic yards as the major pieces of stripping equipment to uncover coal. Stripping at the McKinley Mine is also augmented by the use of a truck/shovel/loader fleet to uncover coal.

McKinley Mine is represented by the United Mine Workers of America (UMWA) and operates 3 shifts per day, employing 382 employees, of which, over 80% are Navajos.

McKinley Mine's major customers are Arizona Public Service Company (APS), Salt River project (SRP), Arizona Electric Power Cooperative (AEPCO), Tucson Electric Power (TEP) and Abitibi Consolidated (manufacturer of recycled paper products).

i. Peabody Energy's Arizona Mines: Peabody Energy's Arizona surface mines are located on the Navajo and Hopi reservations, about 20 miles southwest of Kayenta. The adjacent Black Mesa and Kayenta surface mines have operated for more than three decades, creating local jobs, providing tribal revenue and encouraging economic development in reservation communities. The mines produce about 13 million tons of coal each year from a large reserve leased from the Navajo Nation and the Hopi Tribe.

Mining occurs under complex geological conditions, with coal extracted from multiple seams and splits of seams ranging in size from three to 18 feet. Black Mesa's low-sulfur coal has a high heating value of approximately 10,700 British thermal units (Btu) per pound.

Each year, royalties, taxes and business payments generated from the mining operation provides the tribes with more than \$45 million in revenue, which equates to about 80 percent of the Hopi's budget and nearly 30 percent of the Navajo's annual general budget. Mining operations provide nearly 700 jobs. About 90 percent of the Black Mesa work force is American Indian, making Peabody one of the nation's largest private employers of tribal members. The company's payroll and benefits exceeded \$51 million last year.

Black Mesa Mine was opened in 1970 and shipped 4.6 million tons of steam coal in 2002. The mine employs about 240 workers, sells coal under a long-term contract. Its coal is crushed and transported by conveyor to an independent company, the Black Mesa Pipeline Inc. There the coal is ground into a powder-like substance and mixed with water to form a coal-water mixture that flows through an underground pipeline 273 miles to the Mohave Generating Station near Laughlin, Nev.

Kayenta Mine is adjacent to the Black Mesa Mine and began operating in 1973. The mine shipped 8.3 million tons of steam coal during 2002. The mine employs approximately 400 workers. The coal is crushed, then carried via conveyor 17 miles to storage silos, where it is loaded on an electric train and transported 83 miles to the Navajo Generating Station near Page, Ariz.

The Arizona mines are part of St. Louis-based Peabody Energy, the world's largest coal company. Its coal products fuel more than 9 percent of all U.S. electricity generation and more than 2 percent of worldwide electricity generation.

Besides, there are some other large employers in public sector, whose contribution to the Navajo economy is quite substantial. They have been described below:

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CHAPTER IV ECONOMIC DEVELOPMENT STRATEGY

A. What is Economic Development?

Gunnar Myrdal, a noted economist and Nobel Prize laureate, defined economic development as (a) Creation of Employment Opportunities, (b) Increasing Per Capita Income, and (c) Reducing the Gap Between Rich and Poor.

The Employment Act of 1946 states:

It is the continuing policy and responsibility of the Federal Government to use all practical means consistent with its needs and obligations and other essential considerations of national policy to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare conditions under which there will be afforded useful employment opportunities, including self-employment for those able, willing, and seeking to work, and to promote maximum employment, production and purchasing power.⁷

Lately, various high placed officials of the US Department of Interior have been defining economic development as “improving the quality of life thru employment opportunities.”

An editorial in the Arizona Republic of April 24, 2003 says – “Our stand: Creating more opportunities on reservation would truly honor Piestewa.” The same article further quotes the late Hebert Hubert Humphrey: “A job is the best social program in the world.” It paves the way for so much other progress, in health, housing, education and economic opportunity.⁸

Creating 100,000 employment opportunities by 2008 was the theme of the National Summit on Emerging Tribal Economies, which was held from September 16 thru September 19, 2002 in Phoenix, Arizona.

In all these statements and definitions, the importance of creating employment opportunities is quite loud and clear. None of the definitions or statements, for example, implies that the purpose of economic development is to improve the quality of life by giving people free per capita money from Gaming, or by providing them with welfare checks. All these statements and definitions talk about creating employment opportunities. No wonder, creation of employment opportunities is the top priority of all the leaders of the developed countries and many of the developing countries as well.

B. What Kind of Job?

Economists have divided job into the Economic base jobs and the Support jobs. Economic base jobs are created by the economic base enterprises which are those where the product or service being produced is sold outside the local economy. Enterprises in Manufacturing, Agriculture, Mining, and Tourism sectors are categorized as economic base enterprises. Of these Manufacturing is considered to be the most important. Support jobs are those associated with the local service and retail enterprises. When economic base jobs are being added to the economy, job choices increase, paychecks get bigger, and so on. It has been estimated that 1,500 economic base jobs create 2,500 local service retail jobs. In other words, if we create 1,500 economic base jobs, a total of 4,000 jobs are created. It has also been estimated that 4,000 jobs support a population of 10,000. Thus, it is easy to see that to support a population of 10,000, we must have 1,500 economic base jobs.⁹

The importance of base jobs for an economy is nicely summarized by one of the slides of the Statewide Economic Study commissioned by the Arizona Department of Economic Security which concludes that **without a base industry a town turns into a ghost town.**

Unfortunately, 'Basic Industries' are very few and far between on the Navajo Nation. Manufacturing, Agriculture and Mining accounted for 313, 229 and 1,500 jobs in 2001, which were 0.97%, 0.71%, and 4.63% of the total employment respectively (See **Table No. 18**). Among the 'basic industries', Manufacturing is considered to be the

most important, and usually employs a sizable portion of the labor force in a fast developing economy. Once the economy reaches a certain stage of development, it may not be the largest employer, nonetheless its role for the economy remains crucial. Its importance can hardly be overstated considering the fact that one job created in this sector helps create up to three more jobs somewhere else. In the US, this sector accounted for 13.33% of the total employment in 2001. However, this figure for the Navajo Nation, as mentioned above, is less than 1 percent (See **Table No. 18**). **Table No. 20** gives employment figures by sectors of economy in some of the developed countries. As can be seen from the table, Manufacturing accounted for 14.0% of the total employment in the USA, 15.01% in Canada, 12.2% in Australia, 20.7% in Japan, 24.1% in Germany, 24.7% in Italy, 18.1% in Sweden, and 17.2% in United Kingdom.

Joe Liberman, the democratic presidential candidate, considers Manufacturing so important that if elected he would spend \$10.0 billion to help this sector. He is the first candidate to target his efforts at a single economic sector. His plan includes: Giving tax credits to companies based on the percentage of manufacturing jobs they keep in the United States. He also plans to spend money to train workers and help develop the next generation of manufacturing plants. He criticized the current Administration for not helping the Manufacturing sector. "The crisis within crisis is we are hemorrhaging manufacturing jobs," he said.¹⁰

C. Division's Strategy:

Taking into consideration this paramount importance of a base industry to the economy, the current Shirley-Dayish administration is actively working towards recruiting base industries, and particularly the Manufacturing industries onto the Navajo Nation. As we all know, there exist a number of barriers, to be discussed later, to achieve this goal. Nonetheless, the Division of Economic Development is committed to do everything possible under its power to achieve this goal. The main highlights of the Division's of economic development plan are as follows:

Create 500 new permanent jobs in FY 2003. The major project is to be Antelope Point Marina and few others.

Create 1000 new permanent jobs in FY 2004. To accomplish this, we plan to recruit 2 manufacturing operations. We plan to get DoD's contracts by using such instruments as 8a, Hubzone, Enterprise Zone, Omnibus Packet and so on.

Create 1,500 new permanent jobs in FY 2006, FY 2007 and FY 2008 each by using all means at our disposal, viz. a viz. Federal or state tax credits, Federal set asides for minority businesses, DoD's contracts and so on.

DED's current priorities are industrial and tourism development (both of which fall under the base industry category), throughout the Navajo Nation, and with a particular emphasis on the Eastern Navajo agency. Imminent projects have been described below:

1. Industrial Development: Industry is the basis for economic development, of which Manufacturing is considered to be the most important one. However, there are only five industrial plants in operation on the Navajo Nation. They are:

- *Raytheon at the NAPI Industrial Park,
- *MechTronics of Arizona in the Fort Defiance Industrial Park,
- *TDI in the Leupp Industrial Park,
- *Southwest Cabinet at the Church Rock Industrial Park, and
- *Gallup Camper Sales.

Considering the paramount importance of Manufacturing, the Division is working on a number of projects, of which the important ones are listed below:

a) Latex Glove Manufacturing Plant: The latex gloves has the prospect of ever-expanding market in future. Because of bio-chemical terrorist threats, the usage of latex globe is expected to expand dramatically in the United States. The Division of Economic Development is working with latex glove manufacturing company to expand its business onto the Navajo Nation. A short while ago, the staff of the Division as well as a consultant to the Division visited the company's plant in Tecate, Mexico. Immediately afterwards, they including some members of the

Economic Development Committee of the Navajo Nation Council, also visited the company's Oregon plant. At the moment the Division is diligently working to bring this company onto the Navajo Nation. The current proposed site is Nahatadziil. A building owned by the Navajo-Hopi Relocation Commission is available at the moment. The estimated cost of the project is \$2.7 million and the Division is in the process of obtaining funding for the project. Our status as Hubzone and high possibility of acquiring 8(a) status, as well as DoD and other Federal, State and Local government agencies' set asides will be quite favorable to us.

b) Montezuma Creek Sewing Factory: A Tennessee corporation named Omega Apparels entered into a contract with the US Department of Defense for sewing various uniforms for the Navy. NevaSew, a Montezuma Creek name, will be the first product line. NevaSew will be producing green skirts for the Navy. A consultant from Utah is in the process of developing business plan for the firm. The consultant will also loan \$100,000.0 to the firm. A farmers' cooperative from Utah will contribute \$90,000.0 for start-up cost and operation. The Utah Navajo Trust Fund will contribute another \$5,000.0. It will also clean up the facility where the firm will be located and will charge \$300.0 a month. The Navajo Department of Workforce Development will help provide training to the workers. The training for the workers has been planned to start in January 2004 and the production is to start in February, 2004. It is estimated that once everything falls into place a total of 60 jobs will be created.

c) BCDS Manufacturing Operation: BCDS Manufacturing is to be a joint venture between BCDS, Incorporated of Durango and the Navajo Nation. At the moment this project is being proposed in the Economic Development Committee of the Navajo Nation. The initial product to be manufactured is a biochemical decontamination kit called M11, which is used by the US military. Additional products to be manufactured are biochemical decontamination shelters and "portajohns", which will be supplied to the US military. The plant will be located at the old Wool Marketing warehouse in Shiprock. The renovation of the building is being carried out. Our status as Hubzone, the plant's eventual 8(a) certification, DoD's and other Federal agency's set-asides for the minority and American Indian businesses are some of the efficient tools we have in our hands. We are planning to use \$300,000.0 from the BIDE for this project.

d) Bottling Water Project: The Bottled Water Project is an another project the Division is working on diligently. A feasibility study for this project is almost complete and will determine the location and market of the project more precisely. Without the final study we expect this project to cost between \$4.0 and \$10.0 million and create 65 jobs. The plant would be a high tech plant similar to one near San Bernardino in California. The proposed location is Winslow area.

A second proposal has come from Minnesota. This proposal has four phases. The first phase is to cost \$1.2 million in which one bottling water plant will be established. In phase II, the plant will start producing ice. Phase III will develop a distribution program using vending machines, and phase IV will establish remote water purification plants

(e) Housing Panel Manufacturing: Advanced Building and Development LLC of Colorado produces housing panels. Houses constructed by using these panels are very energy efficient. The Division is working to establish one plant here on the Navajo Nation. The project is in very preliminary stage. To'hajiilee and Churchrock have been identified as possible sites.

(f) Indian Tribal Economic Alliance (ITEA): The ITEA consists of ten Indian tribes. ITEA generated \$35.0 million in revenue from a contract from the DoD by digitizing DoD manuals and directories. The Division of Economic Development of the Navajo Nation is a new member of the ITEA. We are planning to form a cooperation which will manage the Navajo IT operation.

2. Tourism Development: Tourism has the potential of generating a substantially large amount of income to the Navajo Nation and the Navajo people. However, for lack of a developed tourism industry, we have not been able to do so. Enormous number of visitors comes to the Navajo Nation. However, facilities to accommodate them are few and far between. As a result, we are not in a position to capture a substantial portion of the tourist dollars. For example, we have only thirteen motels with 970 rooms on the Navajo Nation, whereas a small city of Gallup, New Mexico has 32 lodging facilities. There are no RV parks, rest areas, welcome centers on the Navajo Nation. Organized tours are few and far between. We do have some horseback tours and vehicle tours in certain areas like in Tuba City(dinosaur tracks), in the Kayenta/Monument Valley area, in Canyon de Chelly and LeChee Chapter area. However, there are no tours that equate to the Grand Circle Tour in the Southwest. Many tours are made

possible and generate substantial amount of revenue to the tour operators because of our culture, history, and land; but all these tour operators are from outside the Navajo Nation.

To promote tourism on the Navajo Nation and to capture more of the tourist dollars, a number of projects have been planned. The major ones have been described below.

(1). Proposed Antelope Point Marina & Resort Project : Of the projects related to tourism development on the Navajo Nation, Antelope Point Marina and Resort has a special significance, as it is to be located at one of the most magnificent places on the Navajo land. This project has a very long history. This project was in the Priority Listing of the 1983-84 Overall Economic Development Plan, i.e., some 20 years ago. Some say that this project was talked about as far back as in mid 60's. However, it is only recently that some real development started taking place. In coordination with the National Park Service, a public boat launch ramp was built in spring 1999, and a seasonal day-use recreation area is operational from May to October.

The National Park Service and Navajo Nation entered into Concession Contract and Business Site Lease in January 2003 and September 2002 respectively with Antelope Point Holdings, LLC of Paradise Valley, Arizona, as the developer and operator of the proposed Antelope Point Marina and Resort. The Antelope Point Holdings, LLC has proposed to invest up to \$75.0 million to develop the marina and resort project. Facilities proposed at Antelope Point include diverse facilities and services, which will be developed in four phases from May 2003 to December 2006. Phase I – May 2003 to February 2004 includes leased marina with 300 rental wet slips; customer restrooms with showers and laundry facilities; covered fuel dock, dry boat storage; infrastructure, power, water, and for Marina, and effluent holding tanks; access roads and entry point for the site; parking for marina with trailer spaces and grading for future hotel parking; and grading for Marina boat launch ramp. Phase II – February 2004 to January 2005 includes public Marina with 225 slips including 120 slips for houseboat and powerboat rental and remaining 105 slips for courtesy and commercial services; Marina Village with full service restaurant, offices and public restrooms; tour boat operations; boat repair and maintenance building; and land based Convenience Store with parking and fuel and public restrooms. Phase III – August 2004 to February 2005 includes RV area with 150 spaces with power and water; campground area with 50 spaces; and addition to Convenience Store public restrooms with showers and laundry facilities. Phase IV – April 2005 to December 2006 includes 225 Resort **casita** units; infrastructure for resort with power, water and sewer; paving of hotel parking area; and Cultural Center and Artists Studios.

The Navajo Nation in cooperation with National Park Service retained URS Corporation of Phoenix, Arizona to prepare an environmental assessment (EA) to address the specific effects of the proposed development and the future operation of the marina and resort. The goal of the EA is to evaluate the environmental and social issues and impacts attendant on implementing the proposal submitted by Antelope Point Holdings, LLC and evaluate alternatives to the proposal that minimize these potential effects. The National Park Service Regional Director and Navajo Region Bureau of Indian Affairs Director issued Finding of No Significant Impact Document in July 2002.

RV parks are being planned, of which Shiprock RV Park, by the Shiprock RBDO is an important one. Similarly, the Shiprock RBDO is planning the Days Inn/Denny's restaurant, and the K&V Best Western Motel and Convention Center in Shiprock. A motel in Crownpoint is being planned. Rest areas and welcome centers are being planned to be established at different location to accommodate the ever-growing number of tourists on the Navajo Nation. Eastern Navajo is again being emphasized in developing facilities to accommodate tourists. The funding from the State of New Mexico to conduct an Eastern Navajo wide economic feasibility will complement the Navajo Nation Shopping Center survey on Eastern Navajo spending habits that will identify more specifically what business development to seek.

3. Commercial & Real Estate Development: Office and retail space development has been initiated by Chuska/Sahara, using private financing and using the BIA loan guarantee program at various sites. The sites are:

- *Tuba City Office and Retail Complex (42,000 sq. ft.). Completion date is June, 2004.
- *Kayenta Office and Retail Complex.
- *Shiprock Office and Retail Complex.
- *Dilkon Office and Retail Complex.

*Fort Defiance Office and Retail Complex. The developer has already initiated discussion the Fort Defiance Chapter officials.

*Crownpoint Office and Retail Complex. The developer will be talking with Crownpoint Chapter officials Shortly.

Table No. 13 presents the Project Priority Listing of the Division.

D. Revisions to the Business Site Lease Regulations: The Navajo Nation has initiated a concerted effort to completely revise the ineffective business site leasing process. Our Division, with the Department of Justice and the Government Development Commission, has started a comprehensive strategy to address this critical problem. First, in the short term, uniform standardized business site lease forms have been developed for all lease transactions with cooperation from the BIA. This will be complimented by the delegation of lease approval authority from the Economic Development Committee of the Navajo Nation Council to the Division of Economic Development. Both these actions will speed up the process substantially. Third, an effort has been initiated to revamp the Navajo Nation Business Site Leasing Act itself, so as to create more business friendly leasing process, and to eventually enable the local Chapters to assume the responsibility and authority of Business Site Leasing approval, as provided for through the Local Governance Act. These improvements will also provide for master leasing, revenue sharing of business site lease payments with local communities, and mechanisms for compensation to grazing permit holders and traditional land users.

With all the improvements to our business site lease process internally, the Nation and chapters will still have to work through the bureaucratic processes of the Bureau of Indian Affairs. To pro-actively address this challenge, we have developed a task force comprised of industry, small businesses, and government to research the United States Code and the Code of Federal Regulations and develop recommendations and propose amendments to the United States Congress and the Senate. The task force will also work towards the 638 contracting of the real estate functions currently administered by the Bureau of Indian Affairs. The efforts to improve the business site leasing process and create incentives for the business people, community, land permittees, and Nation has never been more serious or focused.

E. Implementation of the Local Governance Act: We are in the process of implementing the Local Governance Act (LGA). This historic legislation has granted our chapters, among other things, similar authorities that off-reservation municipalities now have. For example, this act allows the chapters to develop local governments, to do their own land-use planning, and also gives the authority of business site lease approvals, zoning, taxation, revenue generation, bonding, ordinance development, and infrastructure development. The potential economic impact of this legislation is quite significant, as worldwide experience demonstrates the wisdom of granting local governments the tools to effectively address their problems and respond to opportunities. The Kayenta Township, long a pilot project for local governance, is a model of this potential. Shonto became the first Chapter to be certified under the LGA. So far some more Chapters have been certified under the LGA. These Chapters are: Nahata Dziil and Steamboat.

F. Financing Opportunities for Small Business and Economic Infrastructure: The Navajo Nation has also initiated the development of Navajo Nation Banking services to meet the needs of Navajo businesses and citizens. We are currently exploring many options and will proceed with the most prudent and viable banking development. Options include: co-opting the Norwest Bank, enabling the Nation to purchase its assets, including savings accounts and equity, located on the reservation. Services that are cost efficient on a large-scale basis can be maintained by Norwest Bank. This would allow the Navajo Nation to develop a banking corporate brand name and provide vital banking services. Products such as mortgages, credit cards, IRAs, and others would be provided.

Another viable option is the creation of Navajo Venture Capital Investment services. The Division of Economic Development has proceeded to create such services in the near future. A Navajo venture capital firm would be created in private sector. The firm would be managed by a qualified management team, and would provide several million dollars of investment annually to serious Navajo entrepreneurs. The venture capital service will provide necessary assistance to the entrepreneurs in planning, and will significantly increase their chances of success. As a result of the private nature of the business, the management team would be highly qualified and would have incentive to truly help businesses succeed, as they would get a share of the return on investment.

The lack of infrastructure continues to be a major challenge for the development of the Navajo economy. Fortunately, in a time when Navajo Nation revenues are limited, the Navajo Nation and the 110 chapters have the tool of bond financing. Chapters were authorized through the Local Governance Act to generate revenue through a community bond process for purposes such as infrastructure development projects. Bonding creates an opportunity for chapters that have a secure revenue stream, such as from a local tax, to make immediate impact. Model bond ordinances are being developed to help chapters benefit from this important authority. The Division of Economic Development is creating a plan for tax-exempt bond financing using the tax revenue stream from the Fuel Excise Tax enacted a while ago to create vital infrastructure for economic development.

G. Comprehensive Land Use Planning: The ability of a government to control land thru a comprehensive land use planning is a necessity for sound economic development. The Local Governance Act requires chapters to develop a community-based comprehensive land use plan before they can exercise their authorities over business and homesite lease approval, and zoning ordinances. The benefits of a comprehensive land use plan include fostering housing and business development by establishing infrastructure, such as, sewer and water; identifying areas for preservation; and delineating suitable land for commercial, industrial, residential, and recreational uses. A land use plan also serves as a basis for many ordinances such as for housing development and architectural standards for commercial buildings. The zoning ordinance can set the operational rules of where and how business is to be conducted and would ensure that a chapter's economy grows and even changes over time in ways that are complimentary to the chapter's expectations.

As of December 2003, land use planning was complete for 67 Chapters, and it is expected that an additional 40 Chapters will have land use planning in place by the end of December 2004. Remaining 3 of the Chapters are facing some difficulties in this regard. The cost of land use planning per Chapter ranges between 30 and 40 thousand dollars and is financed by a grant from the HUD under NAHASDA.

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**CHAPTER V
ACCOMPLISHMENTS, ECONOMIC DEVELOPMENT POTENTIALS AND CONSTRAINTS**

1. ACCOMPLISHMENTS

The important accomplishments of the Division, in the last couple of years, has been described below:

A. Dilkon Shopping Center: In 1994, Dilkon Chapter withdrew 10 acres of land that was designated as a commercial area. Subsequently, the Division of Economic Development funded a market feasibility study to determine the economic needs of the primary and secondary market areas. The initial infrastructure was developed in 1999-2000, with the Navajo Nation investing approximately \$1.0 million to prepare the 10-acre site for construction of the commercial center.

Dilkon Shopping Center is a 26,000 square foot commercial building that has five tenants and two vacant lease areas. Construction of the center began in October 2001 and was completed in 9 months. The anchor tenant is Basha's Dine' Markets and is owned by Basha's Corporation of Chandler, AZ. The store provided 46 new jobs and they received over 400 employment applications. Pizza Edge, owned by Mr. Larry Justice of Tuba City, AZ provides a variety of pizza and ice cream, a sit down area and drive-up service. The fast-food restaurant created 10 new jobs. Golden Shears Hair Salon is owned by Ms. Esther Yazzie from Tuba City, AZ. The hair salon provides similar services you would receive from nearby border towns. The salon will provide 5 jobs. Hollywood AZ Video is operated by Mr. Mike Vandermale of Page, AZ. The 3,000 square foot video store has provided 6 new jobs. Redd Laundromat is owned by Shawn & Tom Redd of Shiprock, NM. The 3,000 square foot laundromat is a popular place since there is no local laundry in the area. The laundry will provide 4 new jobs. The total construction cost is \$4.0 million. In October, 2000, the Navajo Nation was awarded a Public Works Grant in the amount of \$2,500,000 from the U. S. Department of Commerce Economic Development Administration-Seattle Regional Office. Other funding sources include: Navajo Nation Division of Economic Development and Navajo Nation Shopping Center Management Program.

Following are the impacts of the this project:

- (1) Provide employment. A total of 70 new jobs are provided by the new center. Over 250 temporary jobs were provided by Phase I and Phase II construction term with the majority of construction completed by Navajo workers.
- (2) Provide direct retail service to local consumers.
- (3) Develop an economic base for the community and surrounding areas.
- (4) Stop a portion of leakage of Navajo dollars to nearby border towns.
- (5) Provide the opportunity for Navajo and Non-Navajos to go into business.
- (6) Generate revenue.

The Project is a continuation of the Navajo Nation's economic development strategy to develop commercial centers for major growth and secondary growth centers. Dilkon, AZ is considered a secondary growth center. The market area includes communities within the southwest region of the Navajo Nation.

Dilkon Shopping Center is the 10th shopping center developed on the Navajo Nation. The other shopping centers are located at Tuba City, Kayenta, Shiprock, Pine Hill, Pinon, Navajo, NM, Window Rock, Crownpoint and St. Michaels. Over the years, the shopping centers have been developed as a joint effort between the Navajo Nation Division of Economic Development and the Navajo Nation Shopping Center Management.

In September 2002, the project was recognized by the U.S. Department of Commerce-Economic Development Administration for achievement in business development at their annual conference in San Diego, California.

The project team consists of the following:

Developer: Navajo Nation

Division of Economic Development
Project Development Department

Architect: David N. Sloan & Associates
Albuquerque, New Mexico

Contractor: Arviso-Okland Construction Company, Inc.
Tempe, Arizona

Management: Navajo Nation Shopping Centers.

B. Karigan Child Care Center: In 1994, the Navajo Nation purchased 113 acres of private land known as Karigan Estates. The Navajo Nation Division of Economic Development was responsible to develop Karigan Estates. The overall master plan of development included: housing, office building complex, restaurant, a commercial area and a day care center.

Karigan Child Care Center is a 15,000 square foot building that can accommodate upto 170 children. The center has 16 classrooms, three learning centers, a large cafeteria, kitchen, laundry room, administration rooms and is fully furnished and consists of three playground areas.

The project costs \$3.0 million and was primarily funded by the Department of Health & Human Services, Administration for Children & Families through a grant awarded to the Navajo Nation Division of Social Services. Other funding sources included the Navajo Nation Division of Economic Development.

The intent of the development of Karigan Child Care Center is to provide a unique center that will accommodate to the critical need for childcare services. The center has unique characteristics within the interior and exterior designs of the building that derived from Navajo cultural concepts and relate to the development of children.

The project began construction on June 5, 2000 and was completed on September 30, 2001.

Following are the impacts of the this project:

- 1) Employment – The center provides approximately 30 new jobs and provided over 250 temporary construction jobs. All jobs were performed primarily by a Navajo labor force.
- 2) The Center provides child-care services to approximately 170 children from infants to school-children during and after school program. The populated age groups are the toddlers ranging from 2-4 year olds.
- 3) The Center Generates revenue for the Navajo Nation coffers.

The project team consisted of:

DEVELOPER: Project Development Department
Division of Economic Development

FUNDING SOUCE: Administration for Children & Families
Department of Health & Human Services
San Francisco, CA

ARCHITECT: Weller Architects
Albuquerque, New Mexico

CONTRACTOR: Arviso Construction Company, Inc.
Fort Wingate, New Mexico

C. Karigan Professional Building Complex: A two-story office building of 28,646 square feet being was constructed on 2.28 acres of land within the Karigan Estates at St. Michaels, Arizona. The project includes a structure of steel frame, concrete foundation, stucco, exterior/interior finish, aluminum window units, single ply roof system, plumbing and HVAC system, utilities, asphalt pavement, concrete curbs/sidewalk, landscaping and office furnishing. The complex was constructed in compliance with current building and fire codes.

Developer: The Navajo Nation; Division of Economic Development,
Project Management by: the Project Development Department
Architect: Weller Architects, P.C. of Albuquerque, NM
Contractor: Chuska Development Corporation, Tohatchi, NM (Navajo owned)
Cost: \$3,900,000.00 (Funding is an investment of Navajo Nation funds)
Construction Period: May 2001 – July, 2002.

Tenants:

Upper Level: Division of Economic Development comprises of five departments—Administration Office, Support Services, Small Business Development, Tourism, Business Regulatory and Project Development.

Lower Level: Fort Defiance Regional Business Development Office and the Office of Navajo Tax Commission.

Total staff in the Complex: 60

The Navajo Nation Council, by Resolution, approved the purchase of 113 acres of land known as the Karigan Property and directed the Division of Economic to master plan and develop the property for the benefit of the Navajo Nation. The property has high potential for commercial and residential development. The Master Plan was completed and the Infrastructure Development project, the Karigan Child Care Center and the Karigan Professional Office Complex have been completed.

The Receipts generated through rental of office space in the Office Complex reverts to the Business Industrial Development Fund (BIDF). The BIDF is a loan program for Navajo Division of Economic Development.

2. POTENTIALS

A. Natural Resources:

The Navajo Nation is very rich in natural resources - land, forests, minerals, and water being the important ones. The Nation has over 17 million acres of land and holds 523,000 acres of Ponderosa pine and Douglas fir, as well as 4.5 million acres of Pinion pine and Juniper. However, it is the Coal reserves and those of Oil and Gas, which are paramount for the economy of the Navajo Nation. The reservation is estimated to hold up to 40 million tons of uranium, 4 billion tons of coal and millions of barrels of oil.¹¹ The Nation also holds substantial reserves of copper, fractured sand, helium, gypsum, clay, sand, and gravel.

Water is another very important natural resource the Navajo Nation possesses. Water is “Liquid Gold” as declared by the Governors of Arizona and New Mexico a short time ago.

Most of the Navajo Nation is located within two major river basins, the San Juan and Little Colorado, which are part of the larger Colorado River Basin. A small part of the eastern main reservation, a part of Ramah, and all of Alamo and Canoncito reservations are located within the Rio Grande Basin. A part of the northwestern Navajo Nation is in the main stem Colorado River Basin. The Big Baquillas Ranch is located in both the Gila River and the Verde River Basins.

These basins hold enormous amounts of water. However, it is only now that the water right issues have begun to be discussed seriously on the Navajo Nation. It is becoming increasingly obvious that water, and control over it, may become a very important source of revenue to the Navajo Nation. The enormous economic value of water was made evident to even the most uninformed observers when, in 2001, the farm and infra-structure of the Navajo

Agricultural Products Industry (NAPI) were valued by appraisers at approximately one billion dollars, while the contract water that the Secretary of the Interior supplies to the NAPI farm was valued by the same appraisers at as much as 4.2 billion dollars. Only recently, we started marketing our pristine water of N-Aquifer to the Peabody Coal Company at some reasonable rate. Still, we do not charge any money to Navajo Generating Station located in Page for the 34,100 acre foot of water they use annually. A reasonable lease price of \$250.0 per acre-foot will bring \$8.5 million annually to the Navajo Nation coffers.

Water development, water marketing/leasing, water rights activities, and water use conflicts are rising throughout the West. For example, in 2002, the proposed water rights settlement for the Gila River Indian Community, south of Phoenix, was announced in the regional media. That tribe is planning to receive rights to just over 650,000 acre-feet of water (or 1.3 billion dollars worth of water rights, based on reasonable regional price of 2002). In addition, the tribe is also supposed to receive \$400.0 million worth of settlement and subsidy money to aid in community infrastructure development and water distribution.

Right here the Zuni tribe also got water settlement only recently, which will provide the pueblo members with \$19.0 million to buy water rights and enable them to restore a wetlands area in eastern Arizona they call Zuni Heaven. The Zuni settlement resolves a quarter-century of disputes that had resulted in lawsuits over water rights dating back to 1979.¹²

While other government, corporate, and private interests have been extensively involved in acquiring and developing water resources on a large scale in the Southwest for many decades, the Navajo Nation is only now beginning to take its first substantive steps toward asserting its own interests on a sale comparable to some of its water competitors.

B. Tourism:

The Tourism industry has great development potential on the Navajo Nation. The Nation is full of scenic and historic wonders. Its spectacular scenery - Monument Valley, Canyon de Chelly, Chaco Canyon, to name just a few - attracted over 2.5 million tourists in 2002. Additionally, over 5.5 million tourists visited the tourist attraction sites in close vicinity to the Navajo Nation. (see **Table No. 28**).

The economic impact of visitor spending on the Navajo Nation (direct, indirect and induced) totaled more than \$100.0 million in 2002. Summer season produced the highest level of visitor spending at \$35.0 million; Spring visitor spending was second at \$25.0 million; Fall produced \$22.0 million; and the Winter season produced approximately \$19.0 million.¹³

It is widely believed that tourism can generate a substantially larger amount of income to the Navajo people. However, for lack of a developed tourism industry, we have not been able to do so. For example, there are only 13 lodging facilities on the Navajo Nation with a total of 970 rooms, whereas a small town of Gallup has 32. Consequently, after spending all day on the Navajo Nation, tourists drive off to the border towns to spend the night taking the tourist dollars with them. Similarly, there are many skilled Navajo craftsmen, who are world-renowned for their high quality silver work and weaving. However, for lack of appropriate retail outlets for their wonderful works, these crafts people are unable to sell their products to the tourists, and end up selling them to the scrupulous traders in the border towns, who in turn sell the same stuff to the tourists at exorbitant prices. Thus, the Navajo craftsmen as well as the tourists - both end up being losers. We have a large number of tourists visiting the Navajo Nation, but we capture a very small amount of tourist dollars.

C. Lower Taxation:

Generally speaking, taxation on the Navajo Nation is lower in comparison to other places in the United States. This is particularly true for businesses which are newly established or which have expanded their operation onto the Navajo Nation. There are a number of tax incentives currently in place.

(1) **Federal:** President Clinton signed into law the "Indian Investment and Employment Tax Incentives - Omnibus Budget Reconciliation Act of 1993," popularly known as Omnibus Package. This law provides two types of tax incentives to the companies, which either relocate or expand their businesses onto an Indian reservation.

§13321 of the law allows for faster depreciation of machinery and equipment if used on an Indian reservation. Usually, many types of machinery are depreciable over seven years; however, under the Act, such property used on an Indian reservation would be depreciable over four years. It is intended to reduce the investor's "cost" of capital by allowing the investor to receive the resulting tax savings sooner.

§ 13322 of the Act establishes an "Indian Employment Credit." This incentive will generally provide private sector employers a 20% credit against income tax liability for the first \$20,000 of wages and benefits paid to an Indian worker.

Both of these federal tax incentives are available to businesses for a 10-year period beginning January 1, 1994, and have helped quite a few businesses on various Indian reservations.

This Act is up for reauthorization. It is expected that the Act will be reauthorized for another 10 years, which will give us an opportunity to recruit base industries.

(2) State of Arizona: In 1989, Arizona House and Senate adopted the Arizona Enterprise Zone Program and designated Navajo and Apache counties as enterprise zones. Thus, portions of the Navajo Nation, which are located within Apache and Navajo counties, qualify for the incentives. Incentives include state income tax and state property tax credits for any businesses operating in any of the enterprise zones. Non-Navajo businesses may also qualify for state income tax credits. Because the state does not tax property and tribal member income on the reservation, the state-tax benefits will have no effect on tribal members.

(3) State of New Mexico: New Mexico recently passed a law to give state tax credit to the Manufacturing companies against any taxes paid by such companies to an Indian tribe.

(4) Navajo Nation: The Nation does not tax corporate income, inventories, and personal income. Also, the Nation does not have property or unemployment tax, however, these may change.

D. BIDF & MELP:

Because of the trust status of land, financing an economic development project on the Navajo Nation by a commercial lending institution is very difficult. To ease this problem, a revolving fund, called the Business and Industrial Development Fund (BIDF), was established in 1987 by the Navajo Nation Council with an initial capital contribution of \$15.0 million. Later, it was supplemented with an additional \$4.1 million. This program is very helpful to the business people and particularly to the Navajo businesses. The loan amount from this program has to be at least \$200,000.0

The Small Business Loan Program under the BIDF provides low interest rate loans ranging from \$10,000 to \$150,000 to small Navajo businessmen for business start-ups and expansion.

Since its inception, the BIDF and the Small Business Loan Program have funded a total of 33 commercial, industrial and tourism projects, and 99 small business projects with funding amounts totaling \$13.9 million and \$6.8 million. Additionally, Micro-Enterprise loans have been made available to 90 Navajo individuals.

Lending activities of the BIDF have been presented in **Table No. 29**.

E. Low Operational Cost:

Operational cost of doing business on the Navajo Nation is relatively lower. Labor cost, the cost of building rental, and the cost of utilities are far lower here than in a metropolitan areas. **Table No. 30** compares the labor cost on the Navajo Nation with that in some of the metropolitan areas of the United States.

F. Closeness to Markets:

Closeness to market is another factor, which can boost the economic development potential of the Navajo Nation. Santa Fe railroad and Interstate 40 lie just on the southern border of the reservation. They provide excellent access to the markets in the southwestern US as well as nationwide.

G. Gaming:

Gaming has become one of the best economic development tools for many tribes. The Navajo Nation tried to legalize gaming twice - once in 1994 and again in 1997 by referendum vote. In both occasions the Navajo voters defeated the referendum. **Table No. 31** presents results of the both referendums.

Since then To'hajililee Chapter has been pursuing the matter with a lot of ups and downs. In 2003, the Chapter already had had the ground-breaking ceremony for a 100,000 square-foot Casino. At that point it was still unclear if a Casino will be approved for the To'hajililee Chapter. However, to the amazement of many, the gaming compact was finally signed by the governor of New Mexico, Bill Richardson, on November 6, 2003. It is hoped that the new Casino will be constructed soon. According to Jim Fitting of the Navajo Nation Department of Justice, the Navajo Nation loses an estimated \$250,000.0 per week in revenue by not having a casino in operation in To'hajililee Chapter.¹⁴

H. Alcohol:

Natives American were prohibited by federal law from drinking from 1832 until the repeal of the law in 1953 with the passage of P. L. 83-277, which gave each tribe the authority to legalize and regulate alcohol use on their reservations if they so chose. The Navajo Nation opted to stay dry.

In 1993, the Division of Economic Development conducted a study on legalizing alcohol. The study found that legalizing sale and consumption of alcohol would create 4,344 new jobs, and would bring a substantial amount of revenue to the Nation's coffers. As there is no easy way of prohibiting abuse of alcohol by some Navajo people, it may probably be better to legalize it. Contrary to popular belief, studies have also found that legalizing alcohol actually helps reduce its abuse. For example, a study conducted by Philip May found that "the overall effect of legalization on alcohol on a reservation is a lower rate of alcohol related deaths than on a similar prohibition reservation."¹⁵

Consumption or sale of alcoholic beverages is not something to be advocated. However, over a century of experience has showed us that the Navajo Government has not been able to control either the sale or consumption of alcohol by the Navajo people. With all the 'wet' border towns around the Nation, it seems very unlikely that we can stop or even curtail the consumption of liquor by some of the Navajo people. With ever declining budget of the Navajo Government, it also seems unlikely that we will be able to control the activities of the bootleggers. Thus, liquor issue, however undesirable it may be, is not something over which we have or may have any control. It is only through proper education and **more importantly** thru creation of employment opportunities that we can curtail the abuse of alcohol by some Navajo people. All that requires money, and legalization of alcohol does have potential to provide us with that. On the other hand, prohibition policy is only helping the border towns to prosper without any kind of benefits reverting back to the Navajo people. We have all the vices of a 'wet' land, but none of the benefits.

In this regard it has to be mentioned that sale of alcohol was legalized for the Antelope Point site in 2001.

2. CONSTRAINTS

Before we discuss the barriers to economic development, it may be worthwhile to mention that not many people think that the Navajo economy is an underdeveloped and depressed economy. This writer talked to a number of people (informally) regarding the need of economic development on the Navajo Nation. To my great surprise, I found out that most of the people (I talked to) do not think that economic development is something, which is needed on the Navajo Nation. To the ordinary people, better roads, good housing, electricity, closeness to water sources etc. are more important than creation of employment opportunities. When asked if they needed jobs, a number of the respondents did not quite understand even the question. What job? Used to be the normal reaction.

A number of people argue that there is not enough help from the Federal or State Governments to develop the economy in the Indian country and for that matter on the Navajo Nation. On the contrary, according to a report by the GAO, between 1997 and 1999, there were 98 federal programs under 18 different federal agencies to assist tribes and tribal members with economic development, job creation, entrepreneurship and business development. Interestingly, only fifty-four of the programs were reported as used at least once by at least one tribal entity.¹⁶

During the month of June and July 2001, Eastern Navajo Regional Business Development Office (RBDO) sent a questionnaire to all the thirty-one Chapters of the Eastern Navajo Agency. 25 Chapters, out of 31, responded to the Survey. One of the questions asked was, “Is economic development a priority in your Chapter?” 15 Chapter Coordinators had responded “yes” and 10 had responded “No”. To a second question –“Where does economic development fit into the priorities of your Chapter”, it was ‘high priority’ for 7 Chapter Coordinators, ‘mid-level priority’ for 5, and ‘low priority’ for 13 Chapter Coordinators. Thus, for 52 percent of the Chapter Coordinators in the Eastern Navajo Agency, economic development is not something, which you want. By the way Eastern Navajo Agency’s unemployment rate in 2001 was 70.53%, which was highest among all the agencies on the Navajo Nation.

It has also to be pointed out that the opinions above are the opinions of just the Chapter Coordinators and may not reflect the opinions of the ordinary people. It is quite possible that higher percentage of the ordinary people will respond negatively to the need of economic development. As it was mentioned above, good housing, good roads, electricity, and so on are the things they need, but not jobs.

This is reflected in the fact that the grazing permit holders have rescinded their initial offer of land for business purposes in a number of occasions. This may also be the reason behind moratorium on economic development projects in Chinle.

We believe that the reason for indifferent (and even hostile) attitude towards economic development may lie in various types of welfare payments to the Navajo people, of which the Temporary Assistance to Needy Families (TANF) is the most important one. TANF is just only one of the welfare programs helping the Navajo people. A review of a 1991 report by the Congressional Research Service revealed that eleven federal departments funded approximately 198 programs and services, for which American Indian Governments could apply.¹⁷ According to 2000 Census, 7,285 or 15.25% of the households (out of a total of 47,761 households on the Navajo Nation) were receiving public assistance income in 1999. Furthermore, 9,374 households had Social Security Income and 7,394 had Supplemental Security Income. (See **Table No. 21**). And then 9,612 households derived incomes from unspecified sources, which very well may be from some sort of welfare program. As can be seen from **the Table No. 21**, neither the aggregate amount, nor the average amount of income derived from these sources are substantial - far less than median household income of \$20,005.0. (By the way, much bragged about self-employment; which includes arts and crafts, as well as, farming and grazing; provides an average of only \$8,680.0 per annum to a household and only 2,702 households are engaged in such activities). Nonetheless, incomes derived from various sources are enough to sustain people’s livelihood. Living cost is quite low: Most of the Navajos own their own houses, trailers or the hogans, and so there is no monthly mortgage or rental to be paid; many of the houses do not have utility and so there is no utility bills to be paid; and 60.1% of the houses do not have telephone service, and so there is no telephone bill either. Thus, income derived from various sources turn out to be sufficient to maintain the current standard of living, and many people do not seem to have any motivation to find employment.

If we are to have a meaningful discussion as to how to significantly reduce unemployment and seriously build the Navajo economy, we have to start with certain assumptions:

The unemployment rate on the Navajo Nation is 42.16%. However, as discussed earlier, our true unemployment rate is 65.34% that is, over 65.34% of able-bodied, age-sufficient, individuals cannot find a job.

It is the Navajo government's (and Federal government's) responsibility to provide full employment for its citizens. It is a basic duty of sovereignty. How long do you think the United States of America would remain a sovereign country if there was a 50%+ unemployment rate? During the Great Depression in the United States, the unemployment rate rose to about 25% for a short time and, even then, there was open talk of anarchy. Had the Federal government not taken steps to create jobs and stimulate the economy, it is likely we would see a much different government today.

Taking into consideration this very important role of a Government, the Division of Economic Development hosted a Navajo Nation Economic Summit at the Northern Arizona University in the year 2000. The primary purpose of the Summit was to openly discuss the barriers to economic development on the Navajo Nation and develop possible solutions to overcome the barriers. Though there were a number of issues discussed at the Summit, we are summarizing the important ones below:

The Navajo government and the private investment capital base presently on the Navajo Nation is not sufficient to significantly reduce unemployment. The geographic area is too large, population base too spread, and the area too rural to do much with the limited funds available.

Private capital inside the Navajo Nation is quite meager to build a thriving economy, and outside capital must be sought. It has to be mentioned here that in this age of Corporate world, no country has been able to develop on its own. In recent years we have seen that even the communist China, which was cut out from the rest of the world, resorted to the Western capital. Because of cheap labor in China, the cost of doing business dropped dramatically for the Western companies. However, it is the people of China who benefited the most. Their income rose significantly because of higher salary compared to what they were getting before, their living standard shot up, and only in few years China is considered to be an economic Giant. On the otherhand, India stayed poor as before. Few years earlier, the Govt. of India realized that adhering to the Gandhian philosophy of shunning the West would lead them to no where. And following the path of Thailand and China, they also started inviting foreign investment to India. The result is India has the fastest growth rate of GDP at the moment. However, here in our own backward, we have been shunning the outside investment. We have passed the Sovereign Immunity Act, we insist on using the tribal courts to solve the disputes with outside investors, and we have the most cumbersome business site leasing process you can imagine to keep the outside investment at a bay. Therefore, if we want this capital, we have to do the things necessary for it to come here. **There have to be compromises on issues such as sovereign immunity, court jurisdiction/dispute resolution, triple taxation, infrastructure, gaming, alcohol beverages and layers of governmental rules and regulations, and so on.**

Let's face it – some of the areas of the Navajo Nation will never see significant development. There are too few people, no market, no trained labor force, too remote, no infrastructure in many areas. The five or six Navajo growth centers and a few Navajo communities near interstate highways and near larger Anglo-communities stand the best chance to develop significantly. **Like it or not, this is where efforts should be concentrated.** Look at the United States; most job opportunities are in the cities, not in rural America.

The above statements are a fact of life. The politicians and the people can deny them or ignore them but unless they recognize them and decide to make some compromises, then the situation will remain the same.

If we generally agree with the above, we can proceed to talk about specific barriers. By far the largest barrier to attracting significant outside investment is unwillingness to waive the Sovereign Immunity and insistence on the **exclusive use of Tribal courts.**

A. Sovereign Immunity:

The term Sovereign Immunity is very often misunderstood as Sovereignty; and waiving Sovereign Immunity is misconstrued as giving away Sovereignty. "Sovereign Immunity is the right of a sovereign government not to be sued in any court unless it first gives its consent to be sued."¹⁸ The Office of the Comptroller of the Currency defines

Sovereign immunity as “a governmental immunity that prevents a court from entering orders against the government in the absence of a clear waiver. As governments, Indian tribes enjoy sovereign immunity from suit under federal common law. Tribal sovereign immunity is similar to the sovereign immunity of the United States or of the individual states. Although tribal sovereign immunity does not cover individual Indians, it does extend to tribal governmental agencies, such as Indian housing authorities.”¹⁹

From the above discourse, it becomes clear that Sovereignty and Sovereign Immunity are two different things. When a politician, or a highly placed official says, as we have often heard, “we must never waive our sovereignty”, he or she do not know what he/she is talking about. It is interesting to note that even Neal McCaleb, Assistant Secretary-Indian Affairs of the US Department of Interior, speaking at the National Summit of Emerging Tribal Economies kept referring to the term Sovereignty, whereas he meant Sovereign Immunity.

It is impossible for a government to waive its “sovereignty”. It can waive sovereign immunity but never sovereignty. Waiving sovereign immunity just means “you can sue me if I breach our contract”. In fact, being able to waive sovereign immunity is the sign of a nation’s sovereignty. Only a sovereign nation can exercise its power of doing so. In other words, a nation, which is not sovereign, cannot exercise its power of waiving sovereign immunity.

Waiving sovereign immunity is an essential factor in bringing outside investment onto the Navajo Nation. How do you expect the world to do business with you if you enter into a contractual arrangement and say “I can sue you if you breach our contract; however, you cannot sue me if I breach it.” Yet that is largely the position taken here. On June 27 and 28, 2001, the staff of the Division of Economic Development had a “regroupment” conference in a resort and casino located on the Yavapai-Prescott Apache reservation in Prescott, Arizona. Stanley Rice, the president of the Yavapai-Prescott Apache tribe, made it quite clear to us that to have economic development on the Navajo Nation, we will have to waive our sovereign immunity, similar to many tribes and sovereign governments have done.

B. Tribal Courts:

Along with unwillingness to waive the sovereign immunity, there is also a strong insistence on the exclusive use of the Tribal courts. Naturally, outside investors are quite unwilling to invest their money in such an environment. Like it or not, no outside investor will risk significant investment under a contractual arrangement with the Navajo Nation or its citizens and be restricted exclusively to the Navajo judicial system in the event of a dispute.

There are a number of reasons for this. Some have been pointed out below:

There is a perception among the outside investors – and probably a rightful one - that the Navajo courts are biased in favor of the Navajos, if there is a dispute with a non-Navajo. As Senator McCain put it, "Many entrepreneurs think Reservations are not business-friendly, because they've heard a few stories about what sounds like arbitrary tribal decision making²⁰.

In a recent study, it was determined that in about 95% of the cases, the Navajo Supreme Court has decided in favor of the Navajo government. Is there reason to assume bias?

There is a sheer lack of published Navajo case results. Published case results are about 5 years behind. Who wants to go into a court of common law and not know how the court has decided in its most recent cases. This may also be true of Tribal Laws. When was the last time the Tribal Codes were published for research purposes?

A number of other tribes have gotten around this problem by allowing binding arbitration. The tribe selects one arbitrator, the outside investor selects one arbitrator and the third arbitrator is selected by agreement between the first two arbitrators. Arbitrators are trained, experienced and relatively unbiased in the subject matter. Most investors are willing to submit final decisions on disputes to this type of arrangement.

The importance of disputes being settled in a fair and independent court can hardly be emphasized enough. To entice tens of billions of dollars of investment in oil and gas, even the Russians, who are ill-famed for protectionism, have agreed that disputes would be settled not in Russian courts, but by arbitrators in Stockholm²¹. No-body would

think that the Russians gave away their sovereignty to the Western Oil and Gas companies. Only recently, President Bush signed legislation that allows business disputes on Gila River lands to be resolved in federal court, rather than tribal court. Gila River officials sought the bill to assure those involved in discussions that it would waive sovereign immunity and resolve business disputes off the reservation.²²

Some tribes have established “contract courts” where the judges are well educated, highly qualified, experienced trial lawyers; not just someone’s political appointee. Investors tend to feel safe in allowing disputes to go into this type of court. The key words are flexibility and compromise. More progressive tribal governments have recognized the problem and done the things necessary to assure fairness. We have not done so yet.

C. Cumbersome Business Site Leasing Process:

Business Site Leasing Process is one of the most formidable barriers to the economic development on the Navajo Nation. There are just too many regulations: Too many signatures are required before one can start a business on the Navajo Nation. Speaking before the Navajo Nation Council on January 18, 1996, Senator John McCain observed, "...it takes three to five years to get the governmental approvals necessary to open a dry-cleaning shop in Window Rock! The same approvals can be obtained in Flagstaff in just 3 days.²³" Complicated, cumbersome and lengthy process of obtaining a Business Site Lease disappoints many prospective businesspersons to operate a business on the Navajo Nation. And then there is uncertainty of future. Once, a business site lease is "awarded," it may not be readily renewed when it expires.

“It took us four or five years to get the necessary permits to set up the NAPA store in Shiprock.” Said Shawn Redd, owner of the NAPA store in Shiprock”. “...Getting the various approvals and permits in Gallup only took about a month.”²⁴

D. Dual and Triple Taxations:

Dual and Triple Taxations are obvious barriers to development. All investment decisions involve tax considerations. Ask yourself, why would anyone invest in a place where they are exposed to another layer of taxes when they can invest nearby and completely avoid them. Unfortunately, the Navajo government and local subunits will come to depend more and more on local taxes in the future due to the following reason.

Since businesses do not vote, it is easier to tax them rather than individuals. **The most reasonable solution to this matter is to ask the Federal government to allow tax credits against federal taxes for taxes paid to tribal governments.** This is the most logical solution because the states will probably never give up their taxing authority on non-Indians doing business on reservations, which in turn, may drive away a number of businesses from the Navajo Nation or will keep a prospecting outside employer at a bay. The U.S Supreme Court seems to support the states in this matter.

E. Lack of Infrastructure:

Lack of Infrastructure is a major problem. The expense of bringing water, power, phone, roads, sewer systems to a business site is enormously high. **Table No. 32** presents the available road system on the Navajo Nation. The Federal government has to help more in this area.

F. Gaming:

Indian gaming has been around long enough for us to know that it has produced major social and economic benefits for many tribes. Sure, it is not the most puritanical business to be in; however, sometimes you have to work with the opportunities you receive. It is a fallacy to believe that gaming, once approved, will spread all across the Navajo Nation. Gaming is only economically viable near larger population centers where the income levels are high enough to support gaming. This means that gaming is only feasible on the periphery of the Nation near Albuquerque, Farmington or Gallup. Why not bring some of that non-Navajo money back onto the Navajo Nation? Today, if you have a phone, a credit card and a computer, you can gamble anywhere in the world, even in Low Mountain, Chinle or Pinon.

Tourism development stands a very good chance of reducing unemployment here. People from all around the world already come to this region. The Nation just has to do a better job of capturing the tourist dollars. This does not mean more advertising and promotion, but more tourism infrastructure, viz. a viz., more quality hotel rooms and restaurants and tour packages. Most importantly, when the tourists come, they must be guaranteed a quality experience that they won't forget. Alcohol drinks are a part of a quality experience for most tourists. **The Nation must allow alcohol drinks in certain places.** The Navajo Nation already has world-renowned natural attractions. Why not focus on this potential more? Right now we have plenty of tourist – 4 million annually, but not tourist dollars.

G. Trust Status of Land:

The Navajo land is held under trust by the federal government and cannot be bought and sold. As a result, the land cannot be used as collateral to obtain a loan from a financial institution. This makes financing a business venture extremely difficult.

H. Grazing Permit:

Although land is abundant it has constraints that curtail quick solutions to improve an economically depressed area. The majority of the Navajo land is held in trust by the BIA. When the Tribe needs to use it for a specific purpose, it has to be withdrawn from the BIA. This process can take as long as two years. Also there is something called grazing permit, which was developed by the BIA in early 1930's in an effort to prevent overgrazing and to control erosion. The permits were issued to use the grass and other surface plants for grazing. Over the years, the grazing permits were used and treated as land use permits, which was not the original intent. The situation has given the grazing permit holders a sense of ownership, and their permission is needed to pursue any economic development project on or near areas they claim as their land. Many economic development projects have failed to become reality simply because grazing permit holders did not consent to any development in their grazing areas, and in a number of occasions, the grazing permit holders have rescinded their earlier offer of land.

Two solutions can be offered to solve this problem, which are not mutually exclusive.

First, we should buy off the grazing permits in major communities, townships, and wherever economic development seems highly possible. In other words we should compensate the grazing permit holders for relinquishing their hold on the land.

Secondly, we should levy a tax on the grazing permits, which will force many of the grazing permit holders to willingly relinquish their hold on the land.

These parcels of lands should then be turned into enterprise zones with one separate authority (which may be named as the Economic Development Authority) which will solely be responsible to provide business site lease, along with other powers related to the enterprise zone.

I. Lack of Entrepreneurs:

Entrepreneurs are the movers and shakers of the economy. They are the people who pull together various resources of production - Land, Labor and Capital and get the economy moving forward. While, there are certainly a number of Navajo entrepreneurs selling rugs and jewelry; arts & crafts; food items, e.g., hamburgers, mutton stew & fry bread and other items; those with a high level of organizational ability required by a modern economy, are very few and far between. And these higher caliber entrepreneurs prefer to run businesses somewhere else rather than on the Navajo Nation, because of the above-mentioned cumbersome bureaucratic process of getting a business site lease and uncertain future.

J. Lack of capital:

There are not very many Navajo people who have any significant amount of savings or equity, which can be used as collateral to borrow money from financial institutions. To fill this gap, the Nation has established the Business and

Industrial Development Fund (BIDF) and Micro Enterprise Loan Program MELP), which are administered by the Support Services Department of the DED. These funds offer various business loans to qualified Navajos. However, collateral is required to obtain a loan from these funds as well. Many Navajo people cannot access the loan because of a lack of collateral. Secondly, these funds are not adequate to address the vast capital needs of the Navajo economy.

K. Lack of Banking:

Navajo Nation lacks banking and other financial institutions to support businesses and industries. There are altogether five financial establishments on Navajo Nation to serve the financial needs of over 183,000 people, whereas Gallup, a city of 22,000 people has eight.

Besides, there are a host of other constraints, which are responsible for slow economic growth on the Navajo Nation and in most of the Indian country.

L. Lack of Community Planning:

Effective economic development projects starts with early planning or with a land use plan in place to guide development. Community land use planning deals with land use issues and concerns such as: proper location of housing, commercial areas and thoroughfares for traffic. Land use planning has a general purpose that is to ensure sites are conducive to environmental conditions, existing land uses and potential future growth.

On a larger scale, reservation-wide Land Use Plan is essential for the Navajo Nation to continue toward self-government and control over its economy. At the National level it is well known that most forms of economic progress are achieved after land is owned, controlled and planned. It is one of the Navajo Nation's priorities to strive for economic development.

The proper land use planning is lacking on the Navajo Nation. It is only now that this issue is being taken seriously by various government agencies and a number of consultants are preparing land use plans for various Chapters on the Navajo Nation.

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**CHAPTER VI
EDUCATION & HEALTH**

1. EDUCATION

A. Secondary Education:

Educational services at high school level or below are provided by six types of educational establishments on the Navajo Nation. They are: (1) Arizona Public Schools, (2) New Mexico Public Schools, (3) Utah Public Schools, (4) Bureau of Indian Affairs Schools, (5) Grant Schools, (6) Association of Navajo Controlled Schools, (7) Chartered Schools, and Private Schools. Besides, the Nation also has the Headstart Program, the only program operated by the Navajo Nation Government.

Most common schools (k-12) receive funding from the Navajo Nation under the Johnson O' Malley program.

One of the major problems faced by the Nation in this respect is very high drop out rate among the Navajo high school students. A study of the Navajo reservation high schools found that 31 percent of students dropped out before graduating.²⁵

B. Higher Education:

(1) **Dine' College:** Dine' College is the most important post-secondary educational institution on the Navajo Nation. This prestigious institution of higher learning was chartered by the Navajo Nation in 1968. The founders of the Dine' College envisioned a unique school where Navajo students could receive an associate degree and prepare for a career while learning about the history, culture, language and philosophy of the Navajos. It has grown from a one-campus College to a multi-campus institution with eight campus sites located in major population centers on the Navajo reservation. Since its establishment, it has enrolled over 100,000 students and has conferred approximately 2,500 degrees and certificates. Enrollment and graduation figures for the Dine' College have been presented in Table Nos. 33 and 34 respectively.

(2) **Crownpoint Institute of Technology (CIT):** Crownpoint Institute of Technology (CIT) located at Crownpoint, New Mexico is another establishment of higher education. CIT provides vocational and technical training to approximately 400 Navajo students annually.

(3) **Kayenta Center of the Northern Arizona University:** Kayenta Center of the Northern Arizona University is yet another institution of Higher Education on the Navajo Nation. This center started its operation only recently.

(4) **Northland Pioneer College:** One of Northland Pioneer College's six centers is in Kayenta. The College's centers provide a range of classes towards various degree programs and other student support services, like academic advising, bookstore, library, and student writing center. Classes are provided in-person and via distance learning: interactive-audio, interactive-video, and internet. In addition to Kayenta Center, Northland provides numerous special interest classes in communities throughout the (e) **(e) The Navajo Nation:** most notably Early Childhood Education classes at most Navajo Head Starts, and adult basic education classes in 11 Navajo Nation communities, plus the New Lands at Sanders. The College also has dual enrollment agreements with several school districts serving the Navajo Nation: Chinle, Ganado, Monument Valley, Pinon, Valley (Sanders). Concurrent enrollment enables high school students to begin earning college credit while still enrolled in high school.

C. Scholarships:

The office of Navajo Nation Scholarship and Financial Assistance has been providing scholarships to the Navajo students attending various colleges and universities for a number of years. In 2002, a total of 13,172 requests were

made for financial assistance. Of this number a total of 4,659 students were awarded one or another type of financial assistance totaling an amount of \$11, 159,080.0. **(See table No. 35).**

Education level on the Navajo Nation is substantially lower compared to other geographical areas or other ethnic groups. According to Census 2000, only 55.93% of the total population living on the Navajo Nation over the age of 25 have High School degree or higher and only 7.29% have Bachelor's degree or higher. These numbers for the American Indians only are 54.22 and 4.85% respectively. **(See Table No. 36).** Respective numbers for the US are 80.40% and 24.40%; for Arizona, 80.97% and 25.53%; for New Mexico, 78.85% and 23.45%; and 87.73% and 26.13% for the state of Utah. It also has to be noted that 12.16% of the Navajo Nation population had no education, which is substantially higher than 1.53% of the Arizonans, 2.0% of New Mexicans, and 1.44% of the US population not having any schooling. **(See Table No. 37).** Ethnically, in the US, these numbers are 83.58% and 26.08% for the White; 72.26% and 14.26% for the Blacks; 70.92% and 11.48% for the African Americans; 80.43% and 44.06% for the Asians; and 78.25 and 13.79% for the American Indians and Alaska Natives. **(See Table No. 38).**

Taking into consideration, the importance of education for the well-being of the Dine' and also substantially lower level of educational attainment of the Navajo people, education has been assigned the top priority by the current Shirley-Dayish administration

2. HEALTH

A. Service Providers:

There are a number of entities – both private and public, which provide health care services to the Navajo people. Important ones have been described below:

(1) Navajo Area Indian Health Services: The Navajo Area Indian Health Services (NAIHS) is by far the largest provider of health care services to the Navajo people. It administers numerous clinics, health centers, and hospitals, providing health care to 201,583 members of the Navajo Nation. The Navajo Nation is the largest Indian tribe in the United States and has the largest reservation, which encompasses more than 25,516 square miles in northern Arizona, western New Mexico, and southern Utah, with three satellite communities in central New Mexico. (The Navajo Area coordinates with both the Phoenix and Albuquerque IHS Area Offices for the delivery of health services to the Navajo, Hopi, and Zuni Reservations because these reservations are close to each other.)

Comprehensive health care is provided to the Navajo people through inpatient, outpatient, contract, and community health programs centered around 6 hospitals, 7 health centers, and 14 health stations. School clinics and Navajo tribal health programs also serve the community. The six hospitals range in size from 25 beds in Crownpoint, New Mexico, to 98 beds at the Gallup Indian Medical Center in Gallup, New Mexico. Health centers operate full-time clinics, some of which provide emergency services. Some smaller communities have health stations that operate only part-time.

(2) Division of Health: A major portion of the Navajo Nation health care delivery system is sponsored by the Navajo Tribe itself. The NDOH, created in 1977, has the mission of ensuring that quality and culturally acceptable health care is available and accessible to the Navajo people through coordination, regulation, and where necessary, direct service delivery. The NDOH also provides a variety of health-related services in the areas of nutrition, aging, substance abuse, community health representatives (e.g., outreach), and emergency medical services (e.g., ambulance). The Division has three departments which are directly involved in providing health care services. It provides services in the area of alcohol/substance abuse, mental health, domestic violence, FAS/FAE, physical fitness, DWI services, traditional healing, and health education. It also operates Nanizhooni Center in Gallup which provides temporary shelter to people suffering from alcohol abuse. The center does not provide treatment.

In FY 2003, three pilot projects were authorized by the Navajo Nation Council under P. L. 93-638 Contracts: Tuba City Regional Health Care Corporation, (b) Winslow Indian Health Care Center, Inc., and Utah Navajo Health Systems, Inc.

The Department of Health Services has 11 Health Education Centers, 5 New Dawn Centers, 18 WIC Centers, 108 Community Health Representatives, and the Kayenta Public Health Nursing Center to provide health care and health related services to the Navajo people.

The Department of Navajo Area Agency on Aging has five Agency offices and 70 Senior Citizen Centers to provide direct as well as support services to senior citizens (55 years of age or older).

(3) Others: Besides, there are also a number of private and public establishments that provide health care services to the Navajo people. Notable ones are the Sage Memorial Hospital located in Ganado, AZ, and the Monument Valley Hospital in Monument Valley. Additionally, there are a number of chiropractors, dentists and optometrists, as well as a number of traditional medicinemen who cater to the health care needs of the Navajo people.

Health related data have been presented in **Table Nos. 40 and 41.**

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**CHAPTER VII
CONCLUSION**

The Navajo Nation has very often been compared to a Third World economy. As we discussed earlier, the unemployment rate on the Navajo Nation is very high - 42.16% as of December 31, 2001. We also discussed that true unemployment rate is substantially higher (65.34%). The high unemployment rate has resulted in very low Per Capita Income and high poverty rate (42.9% according to 2000 Census). As can be seen from the **Table Nos. 16 and 17**, our Per Capita Income was \$6,625.0 in 2001, which is substantially lower than that of any state. Connecticut had the highest per capita income (\$42,435.0) and Mississippi had the lowest (\$21,750.0). The United States, at large, had a Per Capita Income of \$30,472.0.

A few years ago, the Division of Economic Development had concluded that 3,544 jobs had to be created annually to maintain the status quo, i.e., to stay at the same level of unemployment rate. We are nowhere close to that number.

Moreover, the Welfare Reform Act of 1996 requires that the Nation must create jobs for at least 10% of the TANF recipients to avoid penalty. The TANF program has been taken over by the Nation since April 1, 2002, and now it has become the responsibility of the Navajo Nation to create employment for at least 10 percent of the TANF recipients to avoid penalty.

Thus, the Navajo Nation is currently faced with a massive task of creating jobs - not only to accommodate the current welfare recipients, but also to reduce the massive unemployment rate of 42.16%.

Poor economic conditions have a direct impact on the social life of the Navajo people. According to a report published in the Navajo Times (March 20, 2003), the Navajo Nation had 36,944 alcohol-related incidents, 8,262 Driving Under the Influence cases, with 5,000 ending in arrests in 2002. Additionally, 2,842 were other alcohol-related activities such as bootlegging. Reported public intoxication incidents were 26,968 with 13,348 resulting in arrests²⁶. We believe that lack of employment opportunities is directly responsible for the abuse of alcohol by some Navajo individuals.

Thus, it is imperative that the creation of employment opportunities be the main focus of the Navajo Nation.

The Division of Economic development has been assigned with this extremely important, but difficult task of creating employment opportunities on the Navajo Nation. However, this massive task cannot be accomplished by the Division of Economic Development alone. We would suggest the following:

Economic development should truly be the top priority of the Navajo Nation. It seems that even though the issue of economic development is talked about extensively, and particularly during elections, it is largely forgotten afterwards. The latest actions of the US Govt. show what a Govt. can and should do to boost the economy. We are nowhere close to that.

To entice outside investment onto the Navajo Nation, we should be able to exercise our authority of waiving the sovereign immunity. It is a proven fact that without a Base Industry, an economy cannot be developed in the true sense of the word. Because of this very fact, any country, which is serious about economic development, goes a long way to entice foreign investments. Peoples' Republic of China and India are the latest examples. Here, on the Navajo Nation, we are just doing the opposite. We are literally forcing the outside investment to stay away by insisting on not waiving the sovereign immunity, or insisting on the exclusive use of tribal court system.

We must make the Business Site Leasing process as easy as it can be made. Only recently, the Division of Economic Development worked very hard to streamline this process. However, contrary to our expectations, it may become lengthier and more cumbersome. As of today, nothing has changed in the approval process.

The Division's project budget should be increased dramatically. We almost never have any money for development purposes. It may be worthwhile to note that the annual budget of the Navajo Department of Workforce Development (NDWD), which is to provide training, is normally \$20.0 million and goes as high as \$30.0 million; whereas, the annual budget of the Division of Economic Development, which is supposed to help create jobs for the people, including those getting trained by the NDWD, is just a little over \$3.0 million.

Economic development is an extremely difficult task on the Navajo Nation. There are just too many barriers. The Office of the President & Vice-President, the Navajo Nation Council, the Judicial Branch, other tribal Divisions, and the Chapters – all must make a concerted effort to eliminate the barriers to outside investment.

Table No. 1
**TYPE OF NAVAJO NATION LANDS
 AND LEASES**
 as of 3/31/1998

Types of Lands	Arizona	New Mexico	Utah	Total
Navajo Nation Trust	10,158,784.82	2,795,418.26	1,223,933.96	14,178,137.04
Navajo Nation Fee	585,169.98	357,000.00	424.90	942,594.88
Individual Indian Allotment	81,963.81	671,043.50	9,741.80	762,749.11
State Lands Lease	256,905.79	126,760.10	-	383,665.89
BLM Leases	-	150,002.23	-	150,002.23
U.S. Forest Service Permit	174,000.00	-	-	174,000.00
Government E.O. PLO & School Tract		91,838.99	5.99	91,844.98
New Lands	345,032.00	-	-	345,032.00
	11,601,856.40	4,192,063.08	1,234,106.65	17,028,026.13

The Navajo Nation has: 17,028,026.13 Acres of land or
 26,606.29 Sections Square miles of land or
 739.06 Townships of Navajo Nation Lands and Lease Lands.

Source: Title Section ONLA, Lands Department, Division of Natural Resources.

Table No. 2
The Navajo Nation - an Overview

		Percent
Total Population	180,462	100
Male	88,469	49.02
Female	91,993	50.98
American Indians	175,228	97.10
Navajo	173,987	96.41
White	5,223	2.89
Median Age	24.0	
Number of Housing Units	68,744	100.00
Occupied Housing Units*	47,603	69.25
Vacant Housing Units	21,141	30.75
Trailer Units	12,885	
Housing Units Lacking Complete Plumbing Facilities	15,279	31.9
Housing Units Lacking Complete Kitchen Facilities	13,447	28.1
Housing Units Lacking Telephone Service	28,740	60.1
Number of Households**	47,603	
Number of Families**	37,903	
Average Household Size	3.77	
Average Family Size	4.36	
Per Capita Income	\$ 7,269.0	
Median Household Income	\$ 20,005.0	
Median Family Income	\$ 22,392.0	
% Individuals Below Poverty Level	42.90	
% Families Below Poverty Level	40.10	
% Families W/Female Householder Below Poverty Level	53.10	
Number of Vehicles	37,008	
Car, Truck or Van	32,175	

* According to one of the Census 2000 tables, there are a total of 69,154 housing units on the the Navajo Nation of which 47,824 units are occupied.

**According to one of the Census 2000 tables, there are 38,162 Families and 47,761 Households on the Navajo Nation.

Source: Census 2000. Extracted by Trib Choudhary. Support Services Department. Division of Economic Development.

**Table No. 3
NAVAJO POPULATION GROWTH RATE**

YEAR	POPULATION	t=	P1/P0	Annual Growth Rate*
1868	9,000			
1878	11,850	10	1.317	2.75
1888	18,000	10	1.519	4.18
1898	20,500	10	1.139	1.30
1908	29,032	10	1.416	3.48
1918	31,250	10	1.076	0.74
1928	34,892	10	1.117	1.10
1930	41,786	2	1.198	9.02
1935	44,025	5	1.054	1.04
1940	48,722	5	1.107	2.03
1945	61,000	5	1.252	4.49
1950	69,167	5	1.134	2.51
1960	79,587	10	1.151	1.40
1970	95,104	10	1.195	1.78
1980	129,553	10	1.362	3.09
1990	146,001	10	1.127	1.20
2000	175,228	10	1.200	1.82

1868	9,000			
2000	175,228	132	19.470	2.25

USA**

1980	226.5			
1990	248.7	10	0.1	0.94
2000	281.4	10	0.1	1.24

*Annual Growth Rate "r" has been computed by using the Formula: $r = \ln(p1/p0)/t$, which has been derived from the Standard Growth Rate Formula: $P1 = P0e^{rt}$

or, $p0e^{rt} = p1$

or, $e^{rt} = p1/p0$, or $\ln e^{rt} = \ln(p1/p0)$, or $rt \ln e = \ln(p1/p0)$,

or $rt = \ln(p1/p0)$, since $\ln e = 1$. **Thus, $r = \ln(p1/p0)/t$**

Where,

P0 = Population in the Base Year

P1 = Population in Current Year

r = Groth Rate

t = Number of Years in between.

** Population figures for the USA are in millions

Source: The Navajo Nation figures for 1868 thru 1980 have been taken from The Navajo Nation Fax 1988. Figures for 1990 and 2000 have been taken from the Census Reports.

The Navajo Nation figures for 1980, 1990 and 2000 do not include non-Indians. Total reservation population including non-Indians was 138,690 in 1980; 151,105 in 1990; and 180,462 in 2000.

Table No. 4

2002 PRESIDENTIAL ELECTION RESULTS BY CHAPTERS

Chapters	Total Population	Registered Voters*	Kelsey Begaye Taylor McKenzie	Joe Shirley Frank Dayish
Alamo	2,072	855	286	283
Aneth	2,286	1,166	229	404
Baca/Prewitt	889	1,030	224	374
Becenti	506	462	117	174
Beclabeto	819	481	152	174
Birdspring	829	663	195	163
Black Mesa	398	432	66	115
Bodaway/Gap	1,837	924	314	255
Bread Springs	1,017	617	226	190
Burnham	240	450	138	129
Cameron	1,231	748	222	172
Canoncito	1,649	738	266	170
Casamero Lake	549	451	101	142
Chichiltah	1,692	995	286	334
Chilchinbeto	1,325	692	149	260
Chinle	8,756	2,693	405	1,039
Church Rock	2,802	1,295	314	435
Coalmine Mesa	374	678	122	243
Coppermine	673	614	196	127
Cornfields	830	698	182	244
Counselor	1,018	650	145	164
Cove ¹	0	455	123	164
Coyote Canyon	957	919	214	342
Crownpoint	2,906	1,113	266	323
Crystal	778	739	218	212
Cudeii ²	0	503	161	160
Dennehotso	1,626	837	203	286
Dilkon	2,206	896	208	302
Forest Lake	573	511	117	184
Fort Defiance	5,754	2,685	545	815
Fruitland, Upper	2,892	1,001	286	313
Ganado	3,030	1,043	232	359
Hard Rock	1,256	721	178	226
Hogback	1,386	927	298	264
Houck	1,529	1,016	259	373
Huerfano	2,366	1,246	406	314
Indian Wells	970	684	147	202
Inscription House	1,214	710	270	152
Iyanbito	1,034	593	150	182
Jeddito	1,299	720	155	251
Kaibeto	1,970	976	369	221
Kayenta	6,315	1,912	464	467
Kinlichee	1,404	1,155	209	506
Klagetoh	1,037	751	165	236
Lake Valley	442	342	93	104
Lechee	1,890	757	280	54

Leupp	1,605	920	306	234
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Chapters	Total Population	Registered Voters*	Kelsey Begaye Taylor McKenzie	Joe Shirley Frank Dayish
Little Water	571	592	171	193
Low Mountain	923	672	186	187
Lower Greasewood	1,408	852	221	313
Lukachukai	2,012	1,036	213	369
Lupton	1,000	594	117	218
Manuelito	358	546	113	151
Many Farms	2,773	1,123	204	552
Mariano Lake	870	614	153	229
Mexican Springs	1,318	736	206	244
Mexican Water	815	716	138	200
Nageezi	1,003	949	188	345
Nahata Dził	1,452	731	153	224
Nahodishgish	404	338	74	149
Naschitti	1,695	1,243	253	514
Navajo Mountain	632	569	190	139
Nazlini	1,151	756	131	354
Nenahnezad	1,695	893	232	252
Newcomb ³	0	530	154	163
Oak Springs	613	573	106	242
Ojo Encino	709	626	180	165
Oljato	2,292	1,184	272	411
Pinedale	1,129	769	146	278
Pinon	3,066	1,410	261	513
Pueblo Pintado	464	486	117	180
Ramah	1,676	971	267	289
Red Lake	2,412	427	101	142
Red Mesa	1,138	846	181	321
Red Rock	2,030	1,026	270	358
Red Valley	1,742	989	350	310
Rock Point	1,367	886	293	290
Rock Springs	992	857	279	247
Rough Rock	919	590	73	230
Round Rock	1,292	740	127	312
Saint Michaels	6,147	1,692	341	537
San Juan ⁴	19	425	104	85
Sanostee	1,908	1,299	321	475
Sawmill	914	813	139	348
Sheep Springs	821	522	149	167
Shiprock	9,279	3,676	922	1,078
Shonto	2,419	1,102	338	311
Smith Lake	1,067	557	166	170
Standing Rock	680	558	103	223
Steamboat	1,668	994	259	379
Sweetwater	1,413	776	170	283
Tachee/Blue Gap	1,443	662	136	233
Teecnospos	1,323	973	285	338
Teestoh	934	797	131	263
Thoreau	1,450	786	158	287

Tohatchi	2,076	1,067	243	432
Tolani Lake	755	575	141	183

Chapters	Total Population	Registered Voters*	Kelsey Begaye Taylor McKenzie	Joe Shirley Frank Dayish
Tonalea	2,537	1,184	396	303
Torreon/Star Lake	1,818	1,062	319	295
Tsaile/Wheatfields	2,044	1,131	279	470
Tsayatoh	747	684	171	214
Tselani	1,351	1,224	246	415
Tuba City	8,736	2,893	572	661
Twin Lakes	2,251	1,112	310	439
Two Grey Hills	1,838	822	249	239
Whippoorwill	1,457	720	191	214
White Cone	1,383	790	232	227
White Horse Lake	547	491	136	165
White Rock	60	294	66	99
Wide Ruins	1,225	714	116	300
TOTAL	180,462	97,840	24,166	31,754

* Registered Voters' numbers are for August, 2000

Notes:

- 1 Population figure for Cove is combined with Red Valley.
- 2 Population figure for Cudeii is combined with Shiprock.
- 3 Population figure for Newcomb is combined with Two Greyhills.
- 4 Most of the population data on San Juan is included in Nenahnezad.

Sources:

- 1 For Population - Census 2000.
- 2 For Voter Registration: Edward T. Begay, Speaker, Navajo Nation Council. 1st Quarterly Report to the Navajo Nation Council. Winter Session. January 2001.
- 3 For Election Results: Office of Navajo Election. The Navajo Nation.

Table No. 5
20th NAVAJO NATION COUNCIL
STANDING COMMITTEE MEMBERSHIPS

Budget and Finance Committee

Raymond Maxx	Chairperson	Western Agency
Bennie Shelly	Vice Chairperson	Eastern Agency
Lorenzo Bedonie		Chinle Agency
Richard T. Begaye		Shiprock Agency
Jerry Bodie		Shiprock Agency
Ernest Hubbell		Fort Defiance Agency
Danny Simpson		Eastern Agency
Harold Wauneka		Fort Defiance Agency

Economic Development Committee

Lawrence R. Platero	Chairperson	Eastern Agency
Kenneth Maryboy	Vice Chairperson	Shiprock Agency
Ralph Bennett		Fort Defiance Agency
Roy B. Dempsey		Fort Defiance Agency
Tom LaPahe		Chinle Agency
Tim C. Morgan		Eastern Agency
Tommy M. Tsosie		Western Agency
Alice M. White		Western Agency

Education Committee

Leonard Chee	Chairperson	Western Agency
Wallace Charley	Vice Chairperson	Shiprock Agency
Andy R. Ayze		Chinle Agency
Lorenzo C. Bates		Shiprock Agency
Katherine Benally		Western Agency
Curran D. Hannon		Fort Defiance Agency
Ida M. Nelson		Eastern Agency

Ethics and Rules Committee

Duane Tsinigine	Chairperson	Western Agency
Lee Jack Sr.	Vice Chairperson	Fort Defiance Agency
Joe M. Lee		Eastern Agency
Francis Redhouse		Shiprock Agency
Roscoe D. Smith		Fort Defiance Agency
David L. Tom		Shiprock Agency
Thomas Walker Jr.		Western Agency
Arthur D. Yazzie		Chinle Agency

Government Services Committee

Ervin M. Keeswood	Chairperson	Shiprock Agency
Ray Laughter	Vice Chairperson	Fort Defiance Agency

Leo R. Begay		Chinle Agency
Mel R. Begay		Fort Defiance Agency
Charles S. Damon II		Eastern Agency
Cecil Frank Eriacho		Eastern Agency
Orlanda Smith Hodge		Fort Defiance Agency
Leonard Teller		Chinle Agency

Health and Social Services Committee

Jerry Freddie	Chairperson	Fort Defiance Agency
Evelyn J. Acothley	Vice Chairperson	Western Agency
Eddie J. Arthur		Chinle Agency
Alice W. Benally		Eastern Agency
Harry Hubbard		Eastern Agency
Willie W. Johnson Sr.		Shiprock Agency
Harry Williams Sr.		Western Agency
Peterson B. Yazzie		Fort Defiance Agency

Human Services Committee

Larry Anderson Sr.	Chairperson	Fort Defiance Agency
Elbert R. Wheeler	Vice Chairperson	Chinle Agency
Harriett K. Becenti		Eastern Agency
Omer Begay Jr.		Fort Defiance Agency
Woody Lee		Shiprock Agency
Young Jeff Tom		Eastern Agency
Philbert L. Tso		Western Agency
Tom M. White Jr.		Fort Defiance Agency

Judiciary Committee

Willie Greyeyes	Chairperson	Western Agency
Raymond Berchman	Vice Chairperson	Fort Defiance Agency
Kee Allen Begay Jr.		Chinle Agency
Nelson Gorman Jr.		Chinle Agency
Rex Lee Jim		Shiprock Agency
Edward P. Padilla		Eastern Agency
LeRoy L. Thomas		Fort Defiance Agency
Ernest D. Yazzie Jr.		Eastern Agency

Public Safety Committee

Hope MacDonald-Lonetree	Chairperson	Western Agency
Benjamin Curtis	Vice Chairperson	Fort Defiance Agency
Pete Ken Atcitty		Shiprock Agency
Harry D. Brown Sr.		Western Agency
Harry H. Clark		Chinle Agency
Lorenzo Curley		Fort Defiance Agency

Harry Willeto		Eastern Agency
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Resources Committee

George Arthur	Chairperson	Shiprock Agency
LaVern Wagner	Vice Chairperson	Eastern Agency
Nelson S. Begaye		Chinle Agency
Herman Daniels Sr.		Western Agency
Harry J. Goldtooth		Western Agency
Norman John II		Fort Defiance Agency
Amos F. Johnson		Chinle Agency
Larry Noble		Fort Defiance Agency

Transportation and Community Development Committee

Mark Maryboy	Chairperson	Shiprock Agency
Willie Begay	Vice Chairperson	Western Agency
Sampson Begay		Fort Defiance Agency
Leslie Dele		Western Agency
Edward V. Jim		Shiprock Agency
Johnny Naize		Chinle Agency
David B. Rico		Eastern Agency
Willie Tracey Jr.		Fort Defiance Agency

Source: Office of Legislative Services

Table No. 6

SUMMARY OF THE NAVAJO NATION OPERATING BUDGET - FISCAL YEAR 2003

DESCRIPTION	GENERAL FUND	INDIRECT COST FUND	PROPRIETARY FUND	FIDUCIARY FUND	SPECIAL REVENUE FUND		TOTAL
					INTERNAL	EXTERNAL	
Executive Branch	\$ 99,440,015	\$ 12,573,323	\$ 40,823,335	\$ 15,253,309	\$ 24,045,917	\$ 213,013,454	\$ 405,149,353
Legislative Branch	\$ 11,197,163	\$ 1,404,256				\$ 24,719	\$ 12,626,138
Judicial Branch	\$ 6,592,205	\$ 22,421				\$ 1,032,549	\$ 7,647,175
Total:	\$ 117,229,383	\$ 14,000,000	\$ 40,823,335	\$ 15,253,309	\$ 24,045,917	\$ 214,070,722	\$ 425,422,666

Source: Office of the Controller, Division of Finance. The Navajo Nation.

Table No. 6 A

SUMMARY OF THE NAVAJO NATION OPERATING BUDGET - FISCAL YEAR 2003
Legislative Branch

	DESCRIPTION	GENERAL FUND	INDIRECT COST FUND	PROPRIETARY FUND	FEDUCIARY FUND	SPECIAL REVENUE FUND		TOTAL
						INTERNAL	EXTERNAL	
1	Navajo Nation Council	\$ 4,438,686	\$ 583,117					\$ 5,021,803
2	Ethics and Rules Committee	\$ 81,363						\$ 81,363
3	Economic Development Committee	\$ 73,600						\$ 73,600
4	Budget and Finance Committee	\$ 60,279	\$ 33,637					\$ 93,916
5	Intergovernmental Relations Committee	\$ 67,368	\$ 33,637					\$ 101,005
6	Human Services Committee	\$ 40,724	\$ 33,637					\$ 74,361
7	Transportation & Community Development	\$ 62,045	\$ 33,637					\$ 95,682
8	Health & Social Services Committee	\$ 44,021	\$ 33,637					\$ 77,658
9	Education Committee	\$ 51,117	\$ 33,637					\$ 84,754
10	Resources Committee	\$ 50,009	\$ 33,637					\$ 83,646
11	Judiciary Committee	\$ 44,410	\$ 33,637					\$ 78,047
12	Government Services Committee	\$ 48,774	\$ 33,637					\$ 82,411
13	Public Safety Committee	\$ 37,557	\$ 33,637					\$ 71,194
14	Office of Legislative Services	\$ 1,403,353	\$ 135,664					\$ 1,539,017
15	Office of the Speaker	\$ 1,030,041	\$ 163,643					\$ 1,193,684
16	Office of Election Administration	\$ 848,439						\$ 848,439
17	Board of Election Supervisors	\$ 50,000						\$ 50,000
18	Office of the Auditor General	\$ 714,710	\$ 21,819					\$ 736,529
19	Office of Legislative Counsel	\$ 843,194	\$ 163,643					\$ 1,006,837
20	Office of Government Development	\$ 400,288						\$ 400,288
21	Ethics and Rules Office	\$ 268,601						\$ 268,601
22	Navajo Nation Labor Commission	\$ 214,834						\$ 214,834
23	Navajo Utah Commission	\$ 184,383						\$ 184,383
24	Black Mesa Review Board	\$ 48,698					\$ 24,719	\$ 73,417
25	Navajo/Hopi Land Commission	\$ 79,369						\$ 79,369
26	Commission on Emergency Management	\$ 11,300						\$ 11,300
	GRAND TOTAL:	\$ 11,197,163	\$ 1,404,256				\$ 24,719	#####

Source: Office of the Controller. Division of Finance. The Navajo Nation.

Table No. 6 B
SUMMARY OF THE OPERATING BUDGET
 JUDICIAL BRANCH

	DESCRIPTION	GENERAL FUND	INDIRECT COST FUND	PROPRIETARY FUND	FIDUCIARY FUND	SPECIAL REVENUE FUND		TOTAL
						INTERNAL	EXTERNAL	
1	Window Rock Judicial District Court	\$ 866,088					152,856	1,018,944
2	Tuba City Judicial District Court	764,481					114,642	879,123
3	Crownpoint District Court	856,387					152,856	1,009,243
4	Administrative Office of Courts	807,315	22,421				67,354	897,090
5	Shiprock Judicial District Court	787,934					152,856	940,790
6	Chinle Judicial District Court	781,111					152,856	933,967
7	Ramah Judicial District Court	446,744					38,214	484,958
8	Supreme Court	360,058					124,487	484,545
9	Peacemaker Division	227,279					-	227,279
10	Kayenta Judicial District Court	694,808					76,428	771,236
	GRAND TOTAL:	\$ 6,592,205	\$ 22,421				\$ 1,032,549	\$ 7,647,175

Source: Office of the Controller. Division of Finance. The Navajo Nation.

Table No. 6 C
SUMMARY OF THE NAVAJO NATION OPERATING BUDGET - FISCAL YEAR 2003
EXECUTIVE BRANCH

	DESCRIPTION	GENERAL FUND	INDIRECT COST FUND	PROPRIETARY FUND	FIDUCIARY FUND	SPECIAL REVENUE FUND		TOTAL
						INTERNAL	EXTERNAL	
1	Executive Offices	3,872,789	383,273					4,256,062
2	Division of General Services	3,713,552	2,378,177	34,496,335			1,619,934	42,207,998
3	Office of the Controller	3,137,387	2,059,236	767,000	3,070,559			9,034,182
4	Department of Justice	3,770,405	1,038,159				260,577	5,069,141
5	Office of Management and Budget	910,567	571,545					1,482,112
6	Office of Navajo Tax Commission	1,395,709	3,484					1,399,193
7	Division of Economic Development	4,390,250	352,425	1,200,000		750,000		6,692,675
8	Division of Community Development	17,775,781	641,074		3,500,000	15,618,000	3,099,333	40,634,188
9	Division of Human Resources	4,267,990	579,032	50,000	7,355,000		36,073,733	48,325,755
10	Division of Natural Resources	15,619,256	493,006	3,965,000		1,120,000	4,966,742	26,164,004
11	Environmental Protection Agency	1,444,212	82,715			1,497,917	4,149,392	7,174,236
12	Division of Public Safety	5,618,444	291,838				24,178,069	30,088,351
13	Division of Health	11,189,956	181,944		500,000		6,465,096	18,336,996
14	Division of Social Services	3,232,192	258,096	275,000			84,951,739	88,717,027
15	Division of Dine Education	6,108,981	403,673	70,000	812,000	1,910,000	47,248,839	56,553,493
16	Fixed Costs	10,207,552	2,855,646					13,063,198
17	Tribal Grants	2,784,992			15,750	3,150,000		5,950,742
	GRAND TOTAL:	99,440,015	12,573,323	40,823,335	15,253,309	24,045,917	213,013,454	405,149,353

Source: Office of the Controller. Division of Finance. The Navajo Nation.

Table No. 7
SOURCES OF NAVAJO NATION REVENUE

Sources of Revenue	AUDITED 1999	AUDITED 2000	AUDITED 2001	UNAUDITED 2002	PROJECTED 2003
Oil & Gas	\$ 15,544,604.0	\$ 23,348,873.0	\$ 25,618,093.0	\$ 17,026,187.0	\$ 16,000,000.0
Mining	\$ 50,081,130.0	\$ 49,131,932.0	\$ 51,750,363.0	\$ 53,558,071.0	\$ 54,500,000.0
Taxes	\$ 26,819,106.0	\$ 50,398,885.0	\$ 44,176,344.0	\$ 46,099,215.0	\$ 49,000,000.0
Fuel Excise Tax				\$ 11,652,281.0	
Land, Building, Business Site & ROW	\$ 7,821,227.0	\$ 10,108,808.0	\$ 22,318,313.0	\$ 11,609,978.0	\$ 8,800,000.0
Investment Income	\$ 107,379,355.0	\$ 128,853,529.0	\$ (41,578,373.0)	\$ (43,809,376.0)	\$ 4,700,000.0
Grants Revenues	\$ 223,895,141.0	\$ 225,779,714.0	\$ 260,414,036.0	\$ 300,106,068.0	
Contribution from Plan Participans	\$ 10,542,575.0	\$ 10,412,787.0	\$ 12,368,463.0	\$ 48,511,407.0	
Insurance Premium Income	\$ 11,386,935.0	\$ 10,008,094.0	\$ 11,428,676.0	\$ 17,710,911.0	
Court Fines & Fees	*			\$ 1,374,907.0	\$ 1,300,000.0
Charges for Services		\$ 10,427,266.0	\$ 15,954,815.0	\$ 28,758,847.0	
Other Revenue	\$ 6,660,729.0	\$ 10,166,275.0	\$ 11,460,388.0	\$ 5,348,463.0	\$ 3,000,000.0
	\$ 460,130,802.0	\$ 528,636,163.0	\$ 413,911,118.0	\$ 497,946,959.0	\$ 137,300,000.0

* In these fiscal years, revenue included in Other Revenue category.

Source: Office of the Controller. Division of Finance. The Navajo Nation.

Table No. 8
Revenue from Minerals on the Navajo Nation
(in million dollars)

	1999	2000	2001	2002*	2003**
Coal Revenue	\$48.00	\$46.40	\$48.90	\$51.20	\$52.50
Oil Revenue	\$13.24	\$22.62	\$22.42	\$16.37	\$15.20
Gas Revenue	\$1.68	\$0.96	\$2.10	\$0.65	\$0.85
LPG Revenue	\$0.05	\$0.25	\$0.17	\$0.03	\$0.19
Total	\$62.97	\$70.23	\$73.59	\$68.25	\$68.74

Minerals Production on the Navajo Nation

	1999	2000	2001	2002*	2003**
Coal Prod. (mln. tons)	22.80	22.80	23.50	23.70	25.30
Oil (bbls.)	6,146,701	5,604,846	5,141,285	4,884,220	5,300,000
Gas (Mcf)	9,169,999	8,198,449	8,625,787	8,194,497	2,500,000
LPG. Prod. (gal.)	2,012,006	1,594,414	1,448,707	754,104	4,000,000

Notes:

* The numbers for 2002 are estimates.

** The numbers for 2003 are projected numbers.

Source: Mineral's Department. Division of Natural Resources. The Navajo Nation.

Table No. 9
FY 2004 TAX REVENUE PROJECTION

TYPE OF TAX	ACTUAL			PROJECTION	
	FY 01	FY 02	FY 03	FY 03	FY 04
SALES - Non-Retail			\$ 6,659,960	\$ 4,666,667	\$ 7,500,000
SALES - Other		\$ 12,130			
SALES - TSF		\$ (1,213)		\$ (466,667)	\$ (375,000)
Subtotal:		\$ 10,917	\$ 6,659,960	\$ 4,200,000	\$ 7,125,000
PIT - Current	\$ 10,614,469	\$ 20,328,633	\$ 26,111,361	\$ 27,500,000	\$ 24,000,000
PIT - Other	\$ 28,195	\$ 6,351			
PIT - TSF	\$ (1,064,266)	\$ (2,033,498)		\$ (2,750,000)	\$ (1,200,000)
Subtotal:	\$ 9,578,398	\$ 18,301,486	\$ 26,111,361	\$ 24,750,000	\$ 22,800,000
SEV - Current	\$ 5,517,261	\$ 3,783,584	\$ 3,047,726	\$ 3,960,000	\$ 3,960,000
SEV - Other	\$ 687,793	\$ 218,627			
SEV - TSF	\$ (620,505)	\$ (400,221)		\$ (396,000)	\$ (198,000)
Subtotal:	\$ 5,584,549	\$ 3,601,990	\$ 3,047,726	\$ 3,564,000	\$ 3,762,000
BAT - Current	\$ 13,711,541	\$ 20,650,142	\$ 11,831,216	\$ 18,000,000	\$ 18,000,000
BAT - Other	\$ 259,126	\$ 1,153,831			
BAT - TSF	\$ (1,397,067)	\$ (2,180,397)		\$ (1,800,000)	\$ (900,000)
Subtotal:	\$ 12,573,600	\$ 19,623,576	\$ 11,831,216	\$ 16,200,000	\$ 17,100,000
TPT - Current	\$ 150,214	\$ 211,893	\$ 171,122	\$ 130,000	\$ 130,000
TPT - Other		\$ 56			
Subtotal:	\$ 150,214	\$ 211,949	\$ 171,122	\$ 130,000	\$ 130,000
GENERAL FUND	\$ 27,886,762	\$ 41,749,918	\$ 47,821,385	\$ 48,844,000	\$ 50,917,000
HOT - Current	\$ 1,056,004	\$ 949,754	\$ 518,183	\$ 800,000	\$ 750,000
HOT - Other	\$ 74,166	\$ 266,005			
HOT - TSF	\$ (113,017)	\$ (121,576)		\$ (80,000)	\$ (37,500)
HOT - PTF	\$ (135,620)	\$ (145,891)		\$ (96,000)	\$ (90,000)
TOURISM FUND	\$ 881,533	\$ 948,292	\$ 518,183	\$ 624,000	\$ 622,500
FET - Current	\$ 10,358,220	\$ 12,584,968	\$ 9,209,921	\$ 11,373,890	\$ 11,373,890
FET - Other	\$ 22,313	\$ 592,474		\$ 15,000	\$ 15,000
FET - TSF	\$ (1,038,053)	\$ (1,317,744)		\$ (1,138,889)	\$ (569,445)
FET - PTF				\$ (1,366,667)	\$ (1,366,667)
NN ROAD FUND	\$ 9,342,480	\$ 11,859,698	\$ 9,209,921	\$ 8,883,334	\$ 9,452,778
SALES - Retail		\$ 3,360,394	\$ 3,279,916	\$ 3,846,154	\$ 4,750,000
SALES - Other		\$ 12,130			
SALES - TSF		\$ (337,252)		\$ (384,615)	\$ (237,500)
SALES - PTF		\$ (404,703)		\$ (461,538)	\$ (570,000)
SALES TAX TRUST		\$ 2,630,569	\$ 3,279,916	\$ 3,000,001	\$ 3,942,500
GRAND TOTAL	\$ 38,110,775	\$ 57,188,477	\$ 60,829,405	\$ 61,351,335	\$ 64,934,778

Source: Office of the Navajo Tax Commission.

Table No. 10

Family Income - THE Navajo Nation, AZ, NM, UT and the USA.

Income Level	The NN		Arizona		New Mexico		Utah		USA	
	Number	%	Number	%	Number	%	Number	%	Number	%
Less than \$10,000	9,274	24.3	73,164	5.6	40,302	8.6	19,106	3.5	4,155,386	5.8
\$10,000 to \$14,999	4,571	12	57,940	4.5	32,250	6.9	17,333	3.2	3,115,586	4.3
\$15,000 to \$24,999	6,853	18	157,508	12.1	68,104	14.5	52,363	9.7	7,757,397	10.7
\$25,000 to \$34,999	5,244	13.7	171,160	13.2	66,251	14.1	66,781	12.4	8,684,429	12
\$35,000 to \$49,999	5,383	14.1	234,708	18.1	84,580	18	106,236	19.7	12,377,108	17.1
\$50,000 to \$74,999	4,568	12	279,982	21.6	88,776	18.9	136,848	25.4	16,130,100	22.3
\$75,000 to \$99,999	1,497	3.9	149,831	11.6	44,592	9.5	71,213	13.2	9,009,327	12.5
\$100,000 to \$149,999	576	1.5	109,198	8.4	29,091	6.2	46,863	8.7	6,936,210	9.6
\$150,000 to \$199,999	103	0.3	30,271	2.3	7,559	1.6	11,553	2.1	1,983,673	2.7
\$200,000 or more	93	0.2	32,831	2.5	7,394	1.6	11,432	2.1	2,112,564	2.9
Total	38,162	100	1,296,593	100	468,899	100	539,728	100	72,261,780	100

Household Income - The Navajo Nation, AZ, NM, UT and the USA

Income Level	The NN		Arizona		New Mexico		Utah		USA	
	Number	%	Number	%	Number	%	Number	%	Number	%
Less than \$10,000	14,468	30.3	163,221	8.6	84,527	12.5	41,959	6	10,067,027	9.5
\$10,000 to \$14,999	5,357	11.2	120,770	6.4	56,773	8.4	33,952	4.8	6,657,228	6.3
\$15,000 to \$24,999	7,762	16.3	264,392	13.9	107,287	15.8	83,121	11.8	13,536,965	12.8
\$25,000 to \$34,999	6,215	13.0	265,645	14	97,447	14.4	93,119	13.3	13,519,242	12.8
\$35,000 to \$49,999	6,271	13.1	332,857	17.5	115,315	17	133,421	19	17,446,272	16.5
\$50,000 to \$74,999	5,168	10.8	365,024	19.2	111,913	16.5	158,405	22.6	20,540,604	19.5
\$75,000 to \$99,999	1,695	3.5	184,026	9.7	53,079	7.8	79,659	11.3	10,799,245	10.2
\$100,000 to \$149,999	619	1.3	131,068	6.9	34,045	5	52,641	7.5	8,147,826	7.7
\$150,000 to \$199,999	103	0.2	35,926	1.9	8,750	1.3	12,924	1.8	2,322,038	2.2
\$200,000 or more	103	0.2	38,696	2	8,896	1.3	12,732	1.8	2,502,675	2.4
Total	47,761	99.9	1,901,625	100	678,032	100	701,933	100	105,539,122	100
Median Family Income	\$ 22,392.0		46723		39425		51,022		50,046	
Per Capita Income	\$ 7,269.0		20275		17261		18,185		21,587	
Median Household Income	\$ 20,005.0		\$ 40,558.0		34,133		45,726		41,994	

Source: Extracted from Census 2000 by Trib Choudhary
Support Services Department, The Division of Economic Development

Table No. 11
PERFORMANCE OF THE RBDO'S

RBDO's	Activities	FISCAL YEAR				
		2002	2001	2000	1999	1998
Ft. Defiance	Small Business Loans Approved	1	4	1		1
	Micro Loans Approved**	5	3	9	11	7
	Leases Approved	3	1	5	1	3
	Leases Modified	1	2	1	1	5
	Leases Terminated	2	1	4	1	1
	Professional Service Contracts Approved	19	3	7	3	2
	Public Trainings	7	8	8	2	2
Shiprock	Small Business Loans Approved					
	Micro Loans Approved	1	3	6	5	2
	Leases Approved	3	2	3	2	8
	Leases Modified	4	2	6	2	4
	Leases Terminated		3			
	Professional Service Contracts Approved		1			3
	Public Trainings					
Tuba City	Small Business Loans Approved	1			2	3
	Micro Loans Approved	1	1	2	5	2
	Leases Approved	4	1	1	4	6
	Leases Modified	1	9	7	6	13
	Leases Terminated	2	3	1		2
	Professional Service Contracts Approved	1	3	3	1	4
	Public Trainings					
Chinle	Small Business Loans Approved	1		1		1
	Micro Loans Approved	2	2		4	6
	Leases Approved	1	3	2	2	3
	Leases Modified	3	2		2	3
	Leases Terminated	2	1	5	1	
	Professional Service Contracts Approved				1	
	Public Trainings					
Eastern*	Small Business Loans Approved	2		1		
	Micro Loans Approved					
	Leases Approved					
	Leases Modified		1			
	Leases Terminated			1		
	Professional Service Contracts Approved	1		2		
	Public Trainings					

	Small Business Loans Approved					
	Micro Loans Approved	1		1		

RBDO's	Activities	FISCAL YEAR				
		2002	2001	2000	1999	1998
Aneth*	Leases Approved (land withdrawal)		1			
	Leases Modified					
	Leases Terminated					
	Professional Service Contracts Approved					
	Public Trainings					
Whippoorwill*	Small Business Loans Approved					
	Micro Loans Approved					
	Leases Approved	1				
	Leases Modified					
	Leases Terminated					
	Professional Service Contracts Approved		1	1		
	Public Trainings					

* These RBDOs were opened at the beginning of Fiscal Year 2000.

** Includes outside loans and grants - loan to Sandia from First Bank of Phoenix, Navajo

Source: Support Services Department. Division of Economic Development.

Table No. 12
CHAPTERS UNDER DIFFERENT RBDOS

	ANETH	CHINLE	EASTERN	FT. DEFIANCE	SHIPROCK	WESTERN	WHIPPOORWILL
1	Aneth	Chinle	Alamo	Cornfields	Beclabito	Birdsprings	Black Mesa
2	Dennehotso	Lukachukai	Baca	Coyote Canyon	Burnham	Cameron	Blue Gap/Tachee
3	Mexican Water	Many Farms	Becenti	Crystal	Counselor	Chilchinbeto	Dilkon
4	Oljato	Nazlini	Bread Springs	Ft. Defiance	Cove	Coalmine Mesa	Forest Lake
5	Red Mesa	Rock Point	Canoncito	Ganado	Cudeii	Coppermine	Hard Rock
6	Sweetwater	Rough Rock	Casamero Lake	Houck	Hogback	Gap/Bodaway	Indian Wells
7	Teec Nos Pos	Round Rock	Chichiltah	Kinlichee	Huerfano	Inscription House	Jeddito
8		Tsaile/Wheatfields	Church Rock	Klagetoh	Nageezi	Kaibeto	Low Mountain
9		Tselani/Cottonwood	Crownpoint	Lower Greasewood	Nenahnezad	Kayenta	Pinon
10			Iyanbito	Lupton	Newcomb	LeChee	Teesto
11			Lake Valley	Mexican Springs	Red Valley	Leupp	Whippoorwill
12			Little Water	Nahatadziil	San Juan	Navajo Mountain	White Cone
13			Manuelito	Naschitti	Sanostee	Shonto	
14			Mariano Lake	Oak Springs	Sheep Springs	Tolani Lake	
15			Nahodishgish	Red Lake	Shiprock	Tonalea	
16			Ojo Encino	Sawmill	Two Greyhills	Tuba City	
17			Pinedale	St. Michaels	Upper Fruitland		
18			Pueblo Pintado	Steamboat			
19			Ramah	Tohatchi			
20			Red Rock	Twin Lakes			
21			Rock Springs	Wide Ruins			
22			Smith Lake				
23			Standing Rock				
24			Thoreau				
25			Torreon				
26			Tsayatoh				
27			White Horse Lake				
28			White rock				
29							
30							
Total	7	9	28	21	17	16	12

Source: Division of Economic Development.

Table No. 13
PROJECT PRIORITY LISTING

Project Description	Location	Projected Cost	Source of Financing	Job Creation	
				Temp.	Perm.
New Lands Shopping Center	NahataDzill	\$6,250,000	NN, EDA	40	100
Montezuma Creek Commercial Center	Montezuma Creek, UT	\$2,486,016	NN, USDA, EDA, UNTF & NRB	40	30
Alamo Mini-Market	Alamo, NM	\$2,300.00	USDA, EDA, CDBG, NN	30	20
Burnside Convenience Store	Ganado	\$2,476,000	Private & NN	30	50
Log Milling Plant	Cameron	\$1,100,000	Private and BIDF	4	50
Eastern RBDO Ofc Bldg	Churchrock	\$770,000		30	0
ACE Hardware / Subway / Pizza Hut	Shiprock, NM	\$950,000	Private	20	70
Antelope Point Marina & Resort	LeChee/Page	\$75,000,000	Private	175	150
Sheep Springs Welcome Center	Sheepsprings, NM	\$1,014,500	HOT	20	6
Four Corners Monument	AZ, UT, CO, NM	\$4,900,000	AZ, NM, UT, NN	80	60
Auto Parts Store & Auto Repair	Chinle, AZ	\$500,000		20	15
Hi-Tech Glass	Chinle, AZ	\$200,000		5	5
Office Building for Chinle RBDO	Chinle, AZ	\$500,000		10	5
Gorman's Trailer Court	Chinle, AZ	\$20,000		4	4
Etsitty Contracting	Lukachukai, AZ	\$7,500		3	3
Convenience store & Gas station	Sheepsprings, NM	\$1,500,000		20	15
Turn RBDO	Tuba City & Shonto	\$50,000		3	3
Waterline, sawerline, and road	Tuba City, AZ	\$25,000		4	0
UST Removal Soil Contamination Clean-up	Tolani lake, AZ Tonalea, AZ	\$22,000		4	3
Monitoring Well Installation	Tuba City, AZ	\$8,550		3	0
Karigan Estates - Residential	St. Michaels, AZ	\$30,000,000	Private, NN and others	40	0
Church Rock Industrial Site Infrastructure	Church Rock, NM	\$200,000	NN	20	
Church Rock Industrial Site Infrastructure	Church Rock, NM	\$200,000	NN	20	
Chinle Welcome Center	Chinle, AZ	\$1,100,000	Pending, Bond Financing	20	6
Monument Valley Welcome Center & Management Organization	Monument Valley, UT	\$4,620,500	Fed., NN, ADOT, UDOT	100	50
Crownpoint Hotel	Crownpoint, NM	\$5,000,000		60	45
Window Rock Golf Course	Window Rock, AZ	\$9,000,000		40	40
Shiprock Recreational Vehicle Park	Shiprock, NM	\$1,000,000	NN, BIDF	6	9
Dine'tah Scenic Road Corridor Management Plan	Lupton, AZ to North Tsaile, AZ and West on Navajo Route 64 to Canyon de Chelly	\$32,800	FHWA Corridor Management Plan Grant	4	1
Wheatfields Lake Renovation	Wheatfields, AZ	\$110,463	FHWA Scenic Roads	100	5
Vermillion Cliffs Highways	Bittersprings, AZ	\$100,000	State Enhancement Grant	10	10
To'hajiilee TRK Plaza/Casino	To'Hajiilee Chapter I-40,	\$65,000,000	Private	200	1000
Karigan Apt. Complex	Karigan Estates St. Michaels, AZ	\$2,000,000	Private, BIDF	25	4
Tuba City Office Complex	Tuba City, AZ	\$4,300,000	Bank, Private, BIDF	75	100
New Sawmill	Sawmill, AZ or Navajo, NM	\$1,500.00	Pending	25	35
Mystery Valley RV Park and Campground	Monument Valley	\$150,000	4 CEC, NN	19	5
Car Wash	Montezuma Creek	\$200,000	NN, RLF, 4CEC	15	6
Teecnospos Hotel & Café	Teecnospos, AZ	\$4,300,000		40	35

Technology out sourcing business	Montezuma Creek	\$250,000	USDA/RBEG, SBA, BIDF	20	15
Montezuma Creek Sewing Factory	Montezuma Creek	\$380,000	Various	8	25
Hotel, Casino etc.	Huerfano, NM	\$10,000,000	Private	200	300

Project Description	Location	Projected Cost	Source of Financing	Job Creation	
				Temp.	Perm.
Hotel, Casino etc.	Baca, NM	\$10,000,000	Private	200	350
True Value Michael Nelson	Chinle, AZ	\$600,000	Private	20	15
Car Wash	Chinle, AZ	\$600,000		10	5
Convenience Store	Chinle, AZ	\$1,000,000		25	25
Chinle Dialysis	Chinle, AZ	\$100,000		5	3
Community Development	Chinle, AZ	\$1,000,000		100	100
Auto Parts Store	Chinle, AZ	\$300,000		10	
Rough Rock Trading Post	Rough Rock, AZ	\$100,000		3	4
Law Office	Chinle, AZ	\$100,000		5	3
Star Mountain Auto Parts	Chinle, AZ	\$200,000		5	4
Storage Units	Chinle, AZ	\$100,000		4	3
Sun Valley Deli-Mart	Shiprock, NM	\$2,050,000		6	20
Motel & Restaurant Best Western Inn	Shiprock, NM	\$2,900,000		40	15
Open Air Vending Market	Shiprock, NM	\$150,000		5	2
Naastiliid Printing, Trophies & Awards	Shiprock, NM	\$150,000		2	1
Mini Mall	Shiprock, NM	\$300,000		15	10
New Fairgrounds	Shiprock, NM	\$5,000,000		10	2
Commercial development	Shiprock, NM	\$300,000		6	1
Conoco C-Store & Gas Station	Shiprock, NM	\$500,000		6	0
Denny's Restaurant	Shiprock, NM	\$700,000		15	20
Office Complex for Nizhoni Smiles	St. Michaels, AZ	\$2,750,000	Private	45	20
NN Oil & Gas Office Headquarters	St. Michaels, AZ	\$4,000,000	Private	45	20
Iron Horse, Inc. Office Headquarters	St. Michaels, AZ	\$1,600,000	Private	25	25
Whitecone Commercial Center	White Cone, AZ	\$800,000	NN	60	20
Sawmill Commercial Center	Sawmill, AZ	\$1,100,000	NN	40	10
Monarch Park	St. Michaels, AZ	\$550,000	NN	10	50
Karigan Restaurant	St. Michaels, AZ	\$3,750,000	NN	50	40
Raytheon Expansion	NAPI, NM	\$2,500,000	NN	40	225
Total		\$270,188,813		2,289	3,123

Table No. 14

Population Labor Force Ratio

Region	Population	Labor Force	L. F. as a percentage of Population
AZ	5,130,632	2,387,139	46.53
NM	1,819,046	834,632	45.88
UT	2,233,169	1,104,431	49.46
USA	281,421,906	138,820,935	49.33
The Navajo Nation	180,462	51,363	28.46

Source: Census 2000. Extracted by Trib Choudhary. Support Services Department. Division of Economic Development.

Table No. 15
MAIN RESULTS OF THE SURVEY
 12/31/2001

EMPLOYMENT

Total Population ¹	183,784
Total Labor Force	56,054
Total Persons Employed	32,420
Total Persons Unemployed	23,634
Unemployment Rate	42.16

PERSONAL INCOME

Total Salary & Benefits	\$1,043,854,156
Transfer Payments	\$135,000,000
Income from Arts & Crafts	\$27,000,000
Income from Livestock	\$8,500,000
Income from Crops	\$3,200,000
Total	\$1,217,554,156
Per Capita Income	\$6,625

OUTFLOW OF NAVAJO DOLLARS

Gross Receipts of Wholesale & Retail Trade	\$231,305,889
Percentage of Total Personal Income	19.00
Total Money Spent on the Navajo Nation ²	\$348,448,594
Percentage of Total Personal Income	28.62
Percentage of Personal Income Spent off the Navajo reservation	71.38

EMPLOYERS

No. of Navajo Employers ³	243
No. of non-Navajo Employers	421
Total No. of Employers	664

Notes Transfer Payments are the monies received by the residents of the Navajo Nation under various welfare programs. Incomes from Arts & Crafts, Livestock and Crops are estimated figures.

¹ The figure has been estimated by the DED.

Labor Force has been estimated at 30.5% of the Total Population. (In other years used to be 29.5%)

² Includes Gross Receipts of Construction, Wholesale/Retail Trade, T/C/U & FIRE Sectors. Gross Receipts of certain employers are not included (see detail below), as they come from sources outside the Navajo Nation.

B Construction	\$61,506,770.0
C T/C/U	\$47,698,515
GR of Four Corners Power Plant (GR not reported), Black Mesa Company and Navajo Generating Station has not been included in the total GR of T/C/U, because the GR of these employers come from outside the Navajo Nation.	
D Finance, Insurance and Real Estate	\$7,937,420.0
TOTAL	\$348,448,594.0

Reason for exclusion is the fact that GR of these employers come from outside of the Navajo Nation.

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There are a total of 383 Navajo employers on the Navajo Nation, of which 145 are Navajo Govt. Offices. We have subtracted this number (145) from the total and added 5 (one govt. office for each agency) and thus we have 243 Navajo employers on the Navajo Nation. Thus instead of 804, we have only 664 employers on the Navajo Nation.

Source Support Services Department, the Division of Economic Development. The Navajo Nation.

Table No. 15 A
 Summary Data by States
 12/31/01

State	Nbr of Chptrs	Land Area (in acres)	2001 Population	LaborForce	Number of Emplrs.	EMPLOYMENT			Total Unempl'd	Unempl. Rate	Sal. & Benefits	Gross Receipts
						Navajo	n-Navajo	Total				
Arizona	57	10,983,091	110,953	33,841	494	18,594	3,016	21,610	12,231	36.14	\$687,263,958.0	\$835,734,060.0
New Mexico	49	5,409,008	66,695	20,342	248	8,019	1,591	9,610	10,732	52.76	\$325,044,301.0	\$330,593,210.0
Utah	4	1,161,460	6,136	1,871	43	747	95	842	1,029	55.00	\$24,781,039.0	\$25,980,147.0
NONN***		0	0	0	19	330	28	358	(358)		\$6,764,858.0	\$0.0
TOTAL	110	17,553,559	183,784	56,054	804	27,690	4,730	32,420	23,634	42.16	\$1,043,854,156.0	\$1,192,307,417.0

Population Growth Rate has been assumed to be 1.841% from 2000 to 2001.

L.F. has been estimated at 30.5% of the total population

* Includes various Navajo Nation Government offices including Chapter houses.

*** NONN: Not on the Navajo Nation.

Source: Support Services Department, Division of Economic Development. The Navajo Nation.

Table No. 15 B
Summary Data by Agency
 12/31/01

AGENCIES	Number of Districts	Number of Chapters	Land Area (in acres)	2001 Population	Labor Force	Number of Employers*	Number Employed			Number Unemployed	Unemployment Rate	Sal. & Benefits	Gross Receipts
							Navajo	n-Navajo	Total				
CH Agency	3	14	1,881,685	29,016	8,850	122	5,261	886	6,147	2,703	30.54	\$191,169,600.0	\$429,428,449.0
EN Agency	6	31	3,363,520	36,171	11,032	105	2,746	505	3,251	7,781	70.53	\$86,901,726.0	\$34,145,481.0
FD Agency	4	27	3,523,963	48,082	14,665	199	8,200	937	9,137	5,528	37.70	\$270,109,457.0	\$188,439,872.0
SR Agency	3	20	2,726,438	31,551	9,623	171	5,271	1,083	6,354	3,269	33.97	\$247,678,227.0	\$303,598,096.0
WN Agency	5	18	6,057,954	38,964	11,884	188	5,882	1,291	7,173	4,711	39.64	\$241,230,288.0	\$236,695,519.0
NONN***			0	0	0	19	330	28	358	(358)		\$6,764,858.0	\$0.0
TOTAL	21	110	17,553,559	183,784	56,054	804	27,690	4,730	32,420	23,634	42.16	\$1,043,854,156.0	\$1,192,307,417.0

Population Growth Rate has been assumed to be 1.841% from 2000 to 2001.

L.F. has been estimated at 30.5% of the total population

*Includes various Navajo Nation Government offices including Chapter houses.

**A number of Chapters seemingly have negative unemployment rates. However, actual unemployment rates in these Chapters are very high. This is so because the number of jobs available in these Chapters is larger than the Labor Force. A number of these jobs may have been taken by the residents of the neighboring Chapters.

***NONN: Not on the Navajo Nation.

Source: Support Services Department, Division of Economic Development. The Navajo Nation.

Table No. 15 C
Summary Data by Counties
 12/31/01

County	Number of Chptrs.	Land Area (in acres)	2001 Popul.	Labor Force	# of Empls.	EMPLOYMENT			Total Unempl'd	Unempl. Rate	Sal & Benefits	Gross Receipts
						Navajo	n-Nav.	Total				
Apache County	31	4,530,181	61,398	18,726	288	11,139	1,436	12,575	6,151	32.85	369,636,404	246,451,451
Bernalillo	1	77,965	1,679	512	5	105	44	149	363	70.90	3,435,117	0
Cibola	1	167,656	1,707	521	11	375	133	508	13	2.50	12,728,152	1,363,197
Coconino	12	3,775,830	24,086	7,346	104	3,811	983	4,794	2,552	34.74	176,883,018	179,961,814
McKinley	25	2,237,687	29,846	9,103	95	2,597	344	2,941	6,162	67.69	70,520,634	25,849,669
Navajo	14	2,677,080	25,469	7,768	102	3,644	597	4,241	3,527	45.40	140,744,536	409,320,795
San Juan - NM	18	2,567,807	27,743	8,462	129	4,575	990	5,565	2,897	34.24	227,488,399	290,214,125
San Juan - UT	4	1,161,460	6,136	1,871	43	747	95	842	1,029	55.00	24,781,039	25,980,147
Sandoval	3	292,865	3,610	1,101	6	156	33	189	912	82.83	5,536,072	0
Socorro	1	65,028	2,110	644	2	211	47	258	386	59.94	5,335,927	13,166,219
NONN***		0	0	0	19	330	28	358	(358)		6,764,858	0
Grand Total	110	17,553,559	183,784	56,054	804	27,690	4,730	32,420	23,634	42.16	1,043,854,156	1,192,307,417

Population Growth Rate has been assumed to be 1.841% from 2000 to 2001.

L.F. has been estimated at 30.5% of the total population

*Includes various Navajo Nation Government offices including Chapter houses.

**NONN: Not on the Navajo Nation.

Source: Support Services Department, Division of Economic Development. The Navajo Nation.

Table No. 16
EMPLOYMENT AND INCOME COMPARED
 12/31/94 thru 12/31/2001

	1994	1995	1996	1997	1998	1999	2000	2001
Population	168,996	170,259	172,398	174,467	176,564	178,687	180,462	183,784
Labor Force	49,854	50,226	50,857	51,468	53,853	54,500	55,041	56,054
Employed	34,659	30,406	28,171	27,891	30,496	30,708	30,818	32,420
Unemployed	15,195	19,820	22,686	23,577	23,357	23,792	24,223	23,634
Unempl. Rate	30.48	39.46	44.61	45.81	43.37	43.65	44.01	42.16
Personal Inc.	\$1,004,427,034	\$1,077,611,670	\$1,046,547,477	\$976,810,909	\$1,016,764,284	\$1,110,811,059	\$1,175,079,929	\$1,217,554,156
Per Capita Inc.	\$5,943	\$6,329	\$6,071	\$5,599	\$5,759	\$6,217	\$6,512	\$6,625

Source: Support Services Department. Division of Economic Development.

Table No. 17

Unemployment Rate and Per Capita Income by States

Area Name	Unemployment Rate		Per Capita Income			
	Dec-02	Dec-01	1998	1999	2000	2001
United States	6.0	5.8	\$26,893.00	\$27,880.00	\$29,770.00	\$30,472.00
Alabama	5.8	6.0	\$21,904.00	\$22,693.00	\$23,766.00	\$24,589.00
Alaska	7.4	6.0	\$27,645.00	\$28,122.00	\$29,913.00	\$30,936.00
Arizona	5.6	5.8	\$23,118.00	\$23,937.00	\$25,358.00	\$25,872.00
Arkansas	5.1	5.5	\$20,479.00	\$21,119.00	\$22,108.00	\$22,887.00
California	6.6	6.1	\$28,240.00	\$29,698.00	\$32,334.00	\$32,702.00
Colorado	5.5	5.1	\$28,764.00	\$30,334.00	\$33,018.00	\$33,470.00
Connecticut	4.6	4.0	\$37,108.00	\$38,614.00	\$41,392.00	\$42,435.00
Delaware	3.9	3.4	\$28,662.00	\$29,354.00	\$31,500.00	\$32,472.00
District of Columbia	6.6	6.4	\$35,836.00	\$35,953.00	\$38,801.00	\$40,150.00
Florida	5.3	6.0	\$26,161.00	\$26,951.00	\$28,286.00	\$28,947.00
Georgia	4.8	4.5	\$25,447.00	\$26,571.00	\$28,212.00	\$28,733.00
Hawaii	4.2	5.6	\$26,201.00	\$26,913.00	\$28,301.00	\$29,002.00
Idaho	5.6	5.5	\$21,612.00	\$22,679.00	\$24,101.00	\$24,621.00
Illinois	6.4	6.0	\$29,505.00	\$30,227.00	\$32,248.00	\$33,023.00
Indiana	4.8	5.1	\$24,891.00	\$25,628.00	\$27,228.00	\$27,783.00
Iowa	3.9	3.7	\$24,555.00	\$24,990.00	\$26,572.00	\$27,331.00
Kansas	4.6	4.4	\$25,519.00	\$26,121.00	\$27,537.00	\$28,565.00
Kentucky	5.4	6.2	\$22,118.00	\$22,671.00	\$24,244.00	\$24,923.00
Louisiana	6.3	6.7	\$21,948.00	\$22,204.00	\$23,227.00	\$24,535.00
Maine	4.7	4.3	\$23,404.00	\$24,187.00	\$25,681.00	\$26,723.00
Maryland	4.1	4.4	\$30,455.00	\$31,829.00	\$33,959.00	\$35,188.00
Massachusetts	5.2	4.4	\$32,714.00	\$34,322.00	\$37,960.00	\$38,907.00
Michigan	5.9	6.2	\$26,860.00	\$27,942.00	\$29,516.00	\$29,788.00
Minnesota	3.9	4.0	\$29,092.00	\$30,141.00	\$32,207.00	\$33,101.00
Mississippi	6.7	6.5	\$19,635.00	\$20,124.00	\$21,017.00	\$21,750.00
Missouri	4.9	4.9	\$25,171.00	\$25,865.00	\$27,452.00	\$28,226.00
Montana	4.2	4.7	\$21,225.00	\$21,593.00	\$22,895.00	\$23,963.00
Nebraska	3.4	3.4	\$25,541.00	\$26,558.00	\$27,756.00	\$28,886.00
Nevada	5.0	6.9	\$28,069.00	\$28,598.00	\$29,696.00	\$29,897.00
New Hampshire	4.8	3.9	\$29,187.00	\$30,485.00	\$33,576.00	\$34,138.00
New Jersey	5.5	4.8	\$33,640.00	\$34,549.00	\$37,649.00	\$38,509.00
New Mexico	5.9	5.1	\$20,551.00	\$20,891.00	\$21,837.00	\$23,155.00
New York	6.3	5.7	\$31,478.00	\$32,617.00	\$35,016.00	\$36,019.00
North Carolina	6.4	6.5	\$24,661.00	\$25,504.00	\$27,055.00	\$27,514.00
North Dakota	3.0	3.1	\$22,716.00	\$23,043.00	\$25,007.00	\$25,902.00
Ohio	5.3	4.8	\$25,921.00	\$26,864.00	\$28,202.00	\$28,816.00
Oklahoma	4.7	4.7	\$21,930.00	\$22,540.00	\$24,046.00	\$25,071.00
Oregon	7.0	7.8	\$25,446.00	\$26,248.00	\$27,821.00	\$28,165.00
Pennsylvania	6.0	5.1	\$27,008.00	\$27,924.00	\$29,713.00	\$30,720.00
Rhode Island	5.4	5.0	\$26,837.00	\$27,632.00	\$29,258.00	\$30,215.00
South Carolina	6.0	6.1	\$22,115.00	\$22,958.00	\$24,273.00	\$24,886.00

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South Dakota	3.0	4.0	\$23,453.00	\$24,477.00	\$25,823.00	\$26,664.00
Tennessee	4.7	5.0	\$24,101.00	\$25,026.00	\$26,367.00	\$26,988.00
Texas	6.2	5.7	\$25,398.00	\$26,237.00	\$28,035.00	\$28,581.00

Unemployment Rate and Per Capita Income by States

Area Name	Unemployment Rate		Per Capita Income			
	Dec-02	Dec-01	1998	1999	2000	2001
Utah	5.6	5.9	\$21,594.00	\$22,202.00	\$23,476.00	\$24,180.00
Vermont	4.2	4.3	\$24,547.00	\$25,705.00	\$27,376.00	\$28,594.00
Virginia	3.9	4.5	\$27,968.00	\$29,276.00	\$31,320.00	\$32,431.00
Washington	6.8	7.4	\$28,285.00	\$29,836.00	\$31,627.00	\$32,025.00
West Virginia	5.6	4.6	\$20,234.00	\$20,691.00	\$21,861.00	\$22,881.00
Wisconsin	5.4	4.9	\$26,004.00	\$26,976.00	\$28,471.00	\$29,270.00
Wyoming	4.4	4.2	\$24,714.00	\$26,139.00	\$27,767.00	\$29,416.00
The Navajo Nation		42.16	\$5,579.00	\$6,217.00	\$6,512.00	\$6,625.00

BEA Regions

New England	\$31,829.00	\$33,226.00	\$36,167.00	\$37,115.00
Mideast	\$30,565.00	\$31,616.00	\$33,956.00	\$34,968.00
Great Lakes	\$26,983.00	\$27,873.00	\$29,505.00	\$30,103.00
Plains	\$26,001.00	\$26,769.00	\$28,429.00	\$29,313.00
Southeast	\$24,242.00	\$25,079.00	\$26,501.00	\$27,246.00
Southwest	\$24,352.00	\$25,137.00	\$26,796.00	\$27,439.00
Rocky Mountain	\$25,041.00	\$26,200.00	\$28,190.00	\$28,859.00
Far West	\$27,972.00	\$29,324.00	\$31,669.00	\$32,047.00

Note: Dollar figures are in chained 1996 dollars.

Source: Website of the Bureau of Economic Analysis.

For the Navajo Nation: Support Services Department. Division of Economic Development.

Table No. 18
Employment by Sectors of Economy - The NN, AZ, NM an the USA

ECONOMIC SECTOR	The Navajo Nation***		Arizona*		New Mexico**		USA***	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Agriculture	229	0.71	149,700	6.38	N. A.	N. A.	N. A.	N. A.
Construction	877	2.71	158,900	6.77	44,800	5.82	6,861,000	5.19
Finance/Insurance/Real Estate	399	1.23	148,800	6.34	32,800	4.26	7,623,000	5.77
Government/Public	8,891	27.42	348,000	14.83	194,800	25.31	20,873,000	15.79
Manufacturing	313	0.97	195,200	8.32	39,300	5.11	17,698,000	13.39
Mining	1,500	4.63	8,600	0.37	14,300	1.86	563,000	0.43
Wholesale & Retail Trade	3,060	9.44	529,400	22.57	177,600	23.07	30,502,000	23.07
Service	15,000	46.27	701,900	29.92	230,400	29.93	41,023,000	31.03
Transportation/Communi-	2,151	6.63	105,400	4.49	35,700	4.64	7,070,000	5.35
Total	32,420	100.00	2,345,900	100.00	769,700	100.00	132,213,000	100.00

* Figures are for July 2002. Employment in agriculture sector was computed by Subtracting the number of total non-agricultural employment from the TOTAL EMPLOYMENT.

** Figures for for November 2002

***Figures are for 2001.

Sources:

For the Navajo Nation - Support Services Department, Division of Economic Development, the Navajo Nation

For Arizona - Arizona's Economy, October 2002. Published by Eller College of Business and Public Administration. University of Arizona. P. 13

For New Mexico - New Mexico Labor Market Report. January 31, 2003 New Mexico Department of Labor

For USA - Website of Bureau of Business and Econome Research. University of New Mexico.

Table No. 19
Employment by Sectors of Economy on the Navajo Nation
 12/31/2001

ECONOMIC SECTOR	NO. OF EMPLOYERS	# OF PEOPLE EMPLOYED		SALARY & BENEFITS	GROSS RECEIPTS
		NAVAJO	N-NAVAJO		
Agriculture	2	222	7	\$ 5,613,614	\$ 26,535,295
Construction	27	817	60	\$ 17,984,248	\$ 61,506,770
Finance/Insurance/Real Estate	27	385	14	\$ 11,401,553	\$ 7,937,420
Government/Public	198	8,634	257	\$ 215,823,543	\$ 173,568
Manufacturing	8	283	30	\$ 6,906,918	\$ 27,360,460
Mining	13	1,256	244	\$ 115,461,531	\$ 454,971,640
Retail Trade	198	2,837	223	\$ 39,991,095	\$ 231,305,889
Service	254	11,553	3,447	\$ 481,878,495	\$ 159,007,195
Transportation/Communication/Utilities	77	1,703	448	\$ 148,793,159	\$ 223,509,180
TOTAL:	804	27,690	4730	\$ 1,043,854,156	\$ 1,192,307,417

Source: Support Services Department, Division of Economic Development, the Navajo Nation

Table No. 20

Civilian Employment by Industry and Country in 2001

Industry	United States	Canada	Australia	Japan	France	Germany	Italy	Sweden	United Kingdom
2001, Total	135073	15077	9157	63790 (6)	23531(6)	36541(6,7)	20843 (6)	4217(6)	27677 (6)
Agriculture, forestry, fishing (2)	3277	435	435	3080 (6)	931 (6)	1036 (6,7)	1113 (6)	122 (6)	426 (6)
Industry (3)	29118	3305	1873	19710 (6)	5547 (6)	12270 (6,7)	6761 (6)	999 (6)	6855 (6)
Manufacturing	18970	2274	1113	13180 (6)	(NA) (6)	8796 (6,7)	5144 (6)	761 (6)	4753 (6)
Services (5)	102678	11337	6849	41000 (6)	17053 (6,7)	23235 (6,7)	12979 (6)	3096 (6)	20396 (6)

2001, Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Agriculture, forestry, fishing (2)	2.4	2.9	4.8	4.8 (6)	4.0 (6)	2.8 (6,7)	5.3 (6)	2.9 (6)	1.5 (6)
Industry (3)	21.6	21.9	20.5	30.9 (6)	23.6 (6,7)	33.6 (6,7)	32.4 (6)	23.7 (6)	24.8 (6)
Manufacturing	14.0	15.01	12.2	20.7 (6)	(NA) (6)	24.1 (6,7)	24.7 (6)	18.1 (6)	17.2 (6)
BASIC INDUSTRY	24.0	24.8	25.3	35.7	27.6	36.4	37.7	26.6	26.3
Services (5)	76.0	75.2	74.8	64.3 (6)	72.5 (6,7)	63.6 (6,7)	62.2 (6)	73.4 (6)	73.7 (6)

NA Not available. (1)Data for 1990 are for former West Germany (prior to unification); data for 2001 are for unified Germany. (2)Includes hunting.

(3)Includes mining and construction. (4)Includes mining. (5)Transportation, communication, public utilities, trade, finance, public administration, private household services, and miscellaneous services. (6)2000 data. (7)Preliminary.

Source: U.S. Bureau of Labor Statistics, Comparative Civilian Labor Force Statistics, Ten Countries, 1959-2001, March 2002 and unpublished data.

Source U. S. Census Bureau. Statistical Abstract of the United States: 2002. Table No. 1337. P. 842.

Table No. 21

Sources and Amounts of Income on the Navajo Nation

Type of Income	Total Amount*	Number of Recipients**	Average Amount***
Aggregate Wage or Salary Income in 1999	\$ 1,042,782,500	33,245	\$ 31,366.6
Aggregate Self-employment Income in 1999	\$ 23,454,300	2,702	\$ 8,680.3
Aggregate Interest, Dividends, or Net Rental Income in 1999	\$ 6,144,600	2,235	\$ 2,749.3
Aggregate Social Security Income in 1999	\$ 65,959,100	9,374	\$ 7,036.4
Aggregate Supplemental Security Income in 1999	\$ 41,874,500	7,394	\$ 5,663.3
Aggregate Public Assistance Income in 1999	\$ 24,982,200	7,285	\$ 3,429.3
Aggregate Retirement Income in 1999	\$ 43,786,400	4,539	\$ 9,646.7
Aggregate Other Types of Income in 1999	\$ 55,058,200	9,612	\$ 5,728.1
TOTAL	\$ 1,304,041,800	76,386	\$ 17,071.7

Aggregate Income Deficit in 1999	\$ 139,747,100
Married Couple Family	\$ 67,565,600
Other Family	\$ 72,181,500

*Total amount may not match because of rounding.

** The total number of households has been calculated by Trib Choudhary. It has to be noted that there are only 47,761 households on the Navajo Nation, whereas in this table the number has added up to 76,386. This is so because a number of households derive income from more than one source.

*** Has been calculated by Trib Choudhary

**** From one of the census tables.

Source: Census 2000. Extracted by Trib Choudhary. Support Services Department. Division of Economic Development.

Table No. 22

Some Important Data on Selected Tribes of Arizona

Tribes	Number of Households	Household Size	Median Household Income	Per Capita Income	Percent Below Poverty Level	% of HH w/o Tel. Service	% of HH w/o Electricity	Educational Attainment**		Population***	
								% with High School Degree	% with College Degree	Number	%
Navajo*	27,442	3.78	\$ 21,136	\$ 7,578	38.5%	62.7%	36.7%	56.3%	13.6%	104,532	2.05%
Hopi	1,968	3.5	\$ 21,378	\$ 8,531	36.5%	31.7%	28.6%	67.1%	14.8%	6,815	0.13%
Yavapai - Prescott	55	3.31	\$ 51,250	\$ 14,217	4.9%	5.5%	N.A	78.6%	15.5%	182	0.00%
Yavapai - Apache	193	3.85	\$ 24,583	\$ 8,347	30.8%	8.9%	N.A	54.5%	13.1%	743	0.01%
Havasupai	140	3.59	\$ 20,114	\$ 7,422	46.1%	54.8%	N.A	53.3%	10.8%	503	0.01%
Kaibab	65	3.02	\$ 20,000	\$ 7,951	29.7%	17.1%	N.A	83.0%	16.1%	196	0.00%
Hualapai	351	3.74	\$ 19,833	\$ 8,147	35.8%	27.9%	N.A	63.4%	8.6%	1,353	0.03%
Arizona Tribes	47,387	3.73	\$ 21,586	\$ 7,644	37.8%			57.5%	12.1%	187,596	3.68%
State of Arizona	1,901,327	2.59	\$ 40,558	\$ 20,275	9.9%			81.0%	30.3%	5,100,000	100.00%

*Only the Arizona Portion of the Navajo Nation

** Population 25 years and Over

*** Population only on tribal lands.

Source: Statewide Economic Study based upon Census 2000 commissioned by the Arizona Department of Commerce. Extracted by Trib Choudhary. Support Services Department. Division of Economic Development.

Table No. 23
Income and Poverty Compared

	U.S.	WHITE	BLACK	AIAN	ASIAN	NHPI	NN
Median HseHold Income	\$ 41,994.0	\$ 49,687.0	\$ 29,423.0	\$ 30,599.0	\$ 51,908.0	\$ 42,717.0	\$ 20,005.0
Median Family Income	\$ 50,046.0	\$ 53,356.0	\$ 33,255.0	\$ 33,144.0	\$ 59,324.0	\$ 45,915.0	\$ 22,392.0
Per Capita Income	\$ 21,587.0	\$ 23,918.0	\$ 14,437.0	\$ 12,893.0	\$ 21,823.0	\$ 15,054.0	\$ 7,269.0
Individuals Below Poverty	12.38	9.14	24.89	25.67	12.60	17.69	42.90

Source: Census 2000. Various tables. Extracted by Trib Choudhary. Support Services Department. Division of Economic Development.

Table No. 24
Poverty Status Compared

POVERTY STATUS IN 1999 (below poverty level)	The Navajo Nation		Arizona		New Mexico		Utah		USA	
	Number	%	Number	%	Number	%	Number	%	Number	%
Families	15,294	40.1	128,318	9.9	68,178	14.5	34,969	6.5	6,620,945	9.2
With related children under 18 years	11,680	41.9	102,378	15.2	54,184	20.8	28,038	8.7	5,155,866	13.6
With related children under 5 years	5,960	47.2	56,623	19.3	27,271	26.4	16,535	10.9	2,562,263	17
Families with female householder, no husband present	6,396	53.1	52,017	25.8	29,891	34.1	13,849	22.1	3,315,916	26.5
With related children under 18 years	4,975	56.3	46,150	32.1	26,547	41.6	12,557	29	2,940,459	34.3
With related children under 5 years	2,482	67	23,205	43.7	12,844	54.3	6,429	41.9	1,401,493	46.4
Individuals	77,326	42.9	698,669	13.9	328,933	18.4	206,328	9.4	33,899,812	12.4
18 years and over	42,920	40.3	440,959	12	203,715	15.9	134,563	9.1	22,152,954	10.9
65 years and over	6,060	48.4	54,737	8.4	26,341	12.8	10,695	5.8	3,287,774	9.9
Related children under 18 years	34,229	46.5	249,327	18.8	122,488	24.6	68,280	9.7	11,386,031	16.1
Related children 5 to 17 years	25,501	45.3	170,524	17.8	87,293	23.6	44,194	8.9	7,974,006	15.4
Unrelated individuals 15 years and over	8,410	59	203,211	22.4	81,339	27.6	74,860	27.6	10,721,935	22.7

Source: Census 2000. Extracted by Trib Choudhary, Support Services Department, Division of Economic Development

Table No. 25

NAVAJO NATION SHOPPING CENTERS
Occupancy Rate and Sales Revenue

Shopping Center	2000 Sales	2001 Sales	Gross Area	Occupied	Vacant
Window Rock Shopping Center	\$ 13,782,131.0	\$ 15,462,119.0	103,384 SF	96,760 SF	6,624 SF
Tuba City Shopping Center	\$ 17,073,503.0	\$ 18,192,307.0	62,531 SF	56,160 SF	6,371 SF
Kayenta Shopping Center	\$ 13,776,501.0	\$ 13,981,070.0	81,135 SF	81,131 SF	
Shiprock Shopping Center	\$ 16,813,954.0	\$ 15,265,930.0	91,454 SF	91,454 SF	
Crownpoint Shopping Center	\$ 5,108,580.0	\$ 5,342,960.0	43,838 SF	42,838 SF	1,000 SF
St. Michaels Shopping Center	\$ 11,384,868.0	\$ 11,557,184.0	53,350 SF	53,350 SF	
Navajo Pine Shopping Center	\$ 2,149,271.0	\$ 1,898,292.0	18,000 SF	15,000 SF	3,000 SF
Pinehill Shopping Center	\$ 1,669,042.0	\$ 1,107,767.0	11,500 SF	9,500 SF	2,000 SF
Pinon Shopping Center	\$ 7,842,980.0	\$ 8,308,945.0	43,625 SF	42,625 SF	
TOTAL	\$ 89,600,830.0	\$ 91,116,574.0	508,817 SF	489,822 SF	18,995 SF

Source: The Navajo Nation Shopping Centers.

Table No. 26
Large Employers on the Navjo Nation
12/31/2001

Name of the Employer	Number of Sites	Employment			Total Annual Sal. & Ben
		Navajo	n-Nav.	Total	
Navajo Government	145	7,814	164	7,978	\$ 178,387,760.0
Navajo Area Indian Health Services	12	2,366	671	3,037	\$ 160,353,976.0
State of Arizona*	54	3,077	1,172	4,249	\$ 119,007,026.0
BIA - Office of Indian Education Program	41	1,944	363	2,307	\$ 73,602,786.0
Navajo Generating Station	1	336	207	543	\$ 63,306,000.0
Peabody Energy's Arizona Mine	2	590	100	690	\$ 49,597,000.0
Four Corners Power Plant	1	420	150	570	\$ 50,800,000.0
State of New Mexico*	25	679	612	1,291	\$ 33,980,570.0
Navajo Mine	1	283	43	326	\$ 24,219,067.0
P & M McKinley Mine	1	338	41	379	\$ 21,456,000.0
Navajo Tribal Utility Authority	9	517	14	531	\$ 18,977,367.0
Navajo Region Bureau of Indian Affairs	22	264	35	299	\$ 15,502,471.0
Navajo Engineering & Construction Authority**	1	474	1	475	\$ 11,296,169.0
Ramah Navajo School Board	1	291	78	369	\$ 9,833,745.0
Sage Memorial Hospital	1	202	58	260	\$ 9,718,897.0
Navajo Housing Authority	14	295	-	295	\$ 8,441,035.0
Basha's Supermarket	6	601	70	671	\$ 7,200,691.0
Navajo Communication Company	1	143	16	159	\$ 6,214,500.0
Roughrock Community School Board & Clinic	1	220	17	237	\$ 5,905,844.0
Navajo Agricultural Products Industries**	1	227	7	234	\$ 5,556,614.0
Alamo Navajo School Board	1	183	47	230	\$ 5,020,177.0
Dine' College	8	147	37	184	\$ 4,798,511.0
Greyhills Academy High School	1	150	24	174	\$ 4,653,749.0
Shiprock Alternative Schools, Inc.	1	91	26	117	\$ 4,228,978.0
Kayenta Community Schools, K-8	1	119	7	126	\$ 3,946,679.0
Shonto Preparatory School	1	184	36	220	\$ 3,786,540.0
Black Mesa Pipeline Operations	1	37	14	51	\$ 3,563,360.0
Leupp Schools, Inc.	1	84	9	93	\$ 3,349,540.0
Rockpoint Community School Board	1	106	2	108	\$ 3,256,813.0
St. Michaels Association for Spec. Education	1	135	12	147	\$ 2,998,081.0
Crown Point Institute of Technology	1	93	4	97	\$ 2,796,846.0
Lukachukai Community School Board	1	86	1	87	\$ 2,323,101.0
Tooh Dine' Industries	1	83	10	93	\$ 2,200,000.0
Tohatchi Area of Opportunity Services, Inc.	1	215	3	218	\$ 2,195,859.0
Raytheon Missile Systems Company	1	120	8	128	\$ 3,571,167.0
Coyote Canyon Rehabilitation Cener, Inc.	1	79	-	79	\$ 1,890,999.0
Pinon Community School Board	1	88	2	90	\$ 1,879,144.0
Little Singer Community School Board	1	42	16	58	\$ 1,658,400.0
Borrogo Pass Community School Board	1	51	7	58	\$ 1,559,116.0
Navajo Hospitality Enterprise	5	128	3	131	\$ 1,266,565.0
Chinle Valley School for Exceptional Children	1	78	-	78	\$ 1,194,348.0
MechTronics of Arizona	1	66	4	70	\$ 996,464.0
Navajo Arts and Crafts Enterprises		50	3	53	\$ 877,631.0
Navajo Oil & Gas Company	4	48	2	50	\$ 816,881.0
St. Michaels Indian School	1	25	26	51	\$ 736,918.0
Others****	6	23,569	4,122	27,691	\$ 938,923,385.0

Name of the Employer	Number of Sites	Employment			Total Annual Sal. & Ben
		Navajo	n-Nav.	Total	

* Schools are the majority of the employers in this category.

**These are seasonal businesses. During peak period, they employ very large number of people.

*** Figures are for the Calendar Year 2002

****The following employers are considered "large employers"; however, they did not give permission to publish their individual data. Taken together, their numbers are grouped as "others".

Goulding's Enterprises
PC & M Construction Company
Navajo Security Company
Cameron Trading Post
Thunderbird Lodge
City Market #2

Note 1: Employment figures are for December 31, 2002. Total salary and benefit figures are for the entire year of 2001.

Note 2: Only those employers have been included in the which have at least 50 employees and whose annual salary & benefits exceed \$500,000.0

Source: Support Services Department. Division of Economic Development.

Table No. 27

Tribal Enterprises

Enterprise	Contact Person
1 Navajo Tribal Utility Authority	Randall Medicinebear, General Manager P.O. Box 170 Fort Defiance, AZ 86504 Tel: (928) 729-5721 Fax: (928) 729-2135
2 Navajo Agricultural Products Industry	Tsosie Lewis, Act. General Manager PO Drawer 1318 Farmington, NM 87499 Tel: (505) 327-5251 Fax: (505) 326-3152
3 Navajo Arts & Crafts Enterprise	Elliot Mott, General Manager PO Box 160 Window Rock, AZ 86515 Tel: (928) 871-4090 Fax: (928) 871-3340
4 Navajo Nation Hospitality Enterprise	Christine June, General Manager P. O. Box 2340 Window Rock, AZ 86515 Tel: (928) 871-4108 Fax: (928) 871-5466
5 KTNN Radio Station	Chester Francis, General Manager P. O. Box 2569 Window Rock, AZ 86515 Tel: (928) 871-2582 Fax: (928) 871-3479
6 Dine' Power Authority	Steve Begay, General Manager P. O. Box 3239 Window Rock, AZ 86515 Tel: (928) 871-2133 Fax: (928) 871-4046
7 Navajo Nation Oil & Gas Company, Inc.	Debbie Klein, General Manager PO Box 4439 Window Rock, AZ 86515 Tel: (928) 871-4880 Fax: (928) 871-4882
8 Navajo Nation Shopping Centers	Nathan Begay, General Manager P. O. Box 478 Window Rock, AZ 86515 Tel: (520) 871-2218/19 Fax: (520) 871-4217
9 The Navajo Times	Tom Arviso, Publisher P. O. Box 310 Window Rock, AZ 86515 Tel: (520) 871-6641 Fax: (520) 871-6409

Enterprise	Contact Person
10 Navajo Transit System	Perry Yazzie, Director P. O. Drawer 1330 Window Rock, AZ 86515 Tel: (520) 729-4002/4110 Fax: (520) 729-4267
11 Navajo Engineering & Construction Authority	Curtis Broughton, General Manager P. O. Box 969 Shiprock. NM 87420 Tel: (505) 368-5151 Fax: (505) 368-3013
12 Navajo Housing Authority	Chester Carl, General Manager P. O. Box 4980 Window Rock. AZ 86515 Tel: (928) 871-2600 Fax: (928) 871-2604

Source: Support Services Department. Division of Economic Development. The Navajo Nation.

Table No. 28

Visitation to the Navajo Nation and the Vicinity

THE NAVAJO NATION

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Canyon De Chelly	743,810	766,680	767,390	767,550	823,960	744,690	843,980	850,960	1,934,911	2,032,740	1,890,881
Hubbell T.P. NPS	232,520	254,070	237,020	238,330	242,330	264,950	271,350	202,570	220,520	239,215	189,391
Navajo National Monument	96,660	94,210	105,260	108,480	97,330	107,880	90,680	125,740	101,875	90,966	58,605
Navajo Nation Zoo	30,045	33,356	25,999	28,102	30,715	34,169	32,097	28,436	28,930	31,608	26,104
Navajo Tribal Museum	13,032	8,317	3,052	n/a	n/a	11,000	25,750	37,046	39,100	12,685	9,352
Chaco Culture NHP	70,980	67,890	76,180	74,660	76,870	113,350	83,800	83,350	87,023	73,849	56,077
Monument Valley TP	319,242	292,721	341,879	350,500	409,136	387,394	362,248	380,575	360,823	270,556	220,651
Four Corners NM	151,000	145,992	270,384	239,498	239,498	248,450	256,038	266,039	360,823	266,584	101,639
Antelope Canyon & Marina*											2,373
Cameron Visitor Center*											
TOTAL VISITATION TO NN	1,657,289	1,663,236	1,827,164	1,807,120	1,919,839	1,911,883	1,965,943	1,974,716	3,134,005	3,018,203	2,555,073
% Change from the Previous Year		0.36	9.86	-1.10	6.24	-0.41	2.83	0.45	58.71	-3.70	-15.34

ADJOINING AREAS TO THE NAVAJO NATION

Glen Canyon Recreation Area	3,615,024	2,844,999	2,538,684	2,532,087	2,538,684	2,455,736	2,459,614	2,667,249	2,594,064	2,244,446	1,656,071
Grand Canyon National Park	4,547,027	4,928,509	4,702,989	4,908,073	4,542,160	4,769,330	4,420,670	4,575,140	4,816,559	4,439,796	3,165,890
Wupatki National Monument	267,080	262,050	264,740	262,660	238,890	233,580	203,670	245,220	249,910	238,688	176,013
Petrified Forest National Park	940,976	936,549	923,047	935,185	829,615	823,386	816,626	667,098	605,312	584,024	575,225
TOTAL VISITATION TO ADJ AREAS	9,370,107	8,972,107	8,429,460	8,638,005	8,149,349	8,282,032	7,900,580	8,154,707	8,265,845	7,506,954	5,573,199
% Change from the Previous Year		-4.25	-6.05	2.47	-5.66	1.63	-4.61	3.22	1.36	-9.18	-25.76

GRAND TOTAL	11,027,396	10,635,343	10,256,624	10,445,125	10,069,188	10,193,915	9,866,523	10,129,423	11,399,850	10,525,157	8,128,272
% Change from the Previous Year		-3.56	-3.56	1.84	-3.60	1.24	-3.21	2.66	12.54	-7.67	-22.77

Source: Leslie Kedelty, Tourism epartment, Division of Economic Development.

Table No. 29
BIDF Lending Activities
as of 3/31/03

Loan Program	Awarded to Date		Outstanding	
	Number of Loans	Loan Amount	Number of Loans	Loan Amount
CIT* BIDF Loans	33	\$ 13,876,692.0	17	\$ 6,195,979.0
Small BIDF Loans	99	\$ 6,798,637.0	57	\$ 3,461,546.0
Micro-Enterprise Loan	90	\$ 254,200.0	35	\$ 87,494.0
TOTAL	222	\$ 20,929,529.0	109	\$ 9,745,019.0

* Commercial, Industrial and Tourism.

Source: Support Services Department. Division of Economic Development.

Table No. 30
Labor Cost Comparison

Median Hourly Wage by Occupation Title	The Navajo Nation		Albuquerque		San Jose		San Diego		Dallas		Seattle	
Electrical & electronic equipment assemblers	\$ 7.38	\$ 100.00	\$9.84	\$ 133.33	\$13.22	\$ 179.13	\$10.40	\$140.92	\$9.55	\$129.40	\$11.12	\$150.68
Team assemblers	\$ 7.38	\$ 100.00	\$10.95	\$ 148.37	\$12.20	\$ 165.31	\$9.14	\$123.85	\$9.50	\$128.73	\$11.89	\$161.11
Electrical & electronic engineering technicians	\$ 9.18	\$ 100.00	\$19.91	\$ 216.88	\$23.67	\$ 257.84	\$20.04	\$218.30	\$21.64	\$235.73	\$23.94	\$260.78
Inspectors, testers, sorters, samplers & tenders	\$ 8.37	\$ 100.00	\$14.11	\$ 168.58	\$14.61	\$ 174.55	\$13.26	\$158.42	\$12.45	\$148.75	\$15.08	\$180.17
Computer-controlled machine tool operators, metal and plastic	\$ 7.47	\$ 100.00	\$12.58	\$ 168.41	\$15.84	\$ 212.05	\$11.32	\$151.54	\$11.03	\$147.66	\$14.86	\$198.93
Shipping, receiving & traffic clerks	\$ 10.50	\$ 100.00	\$9.93	\$ 94.57	\$13.90	\$ 132.38	\$10.71	\$102.00	\$10.63	\$101.24	\$13.29	\$126.57

Source: For the Navajo Nation - Support Services Department. Division of Economic Development.

For Others - United States Department of Labor, Bureau of Labor Statistics

Table No. 31
Referendum Vote on Gaming

CHAPTER	1994		1997		Rgstrd Voters*	Total Popul.
	Yes	No	Yes	No		
Alamo	302	149	89	27	772	1,441
Aneth	253	328	155	136	1,096	2,307
Baca	188	136	130	118	1,032	779
Becenti	134	169	67	111	440	362
Beclabeto	179	150	116	122	463	428
Birdsprings	125	175	91	63	632	716
Black Mesa	99	117	63	79	404	525
Bodaway/Gap	208	384	121	167	908	1,887
Bread Springs	183	163	116	133	569	1,372
Burnham	81	151	40	112	453	270
Cameron	169	227	146	201	723	1,167
Canoncito	219	213	62	57	709	1,353
Casamera Lake	121	107	83	56	426	647
Chichiltah	268	346	119	210	954	1,740
Chilchinbeto	112	258	106	140	641	1,342
Chinle	562	661	401	391	2,492	8,412
Church Rock	327	250	217	216	1,196	1,991
Coalmine Mesa	124	176	108	58	594	416
Coppermine	131	172	91	105	233	462
Cornfields	174	266	143	168	706	610
Counselor	79	137	56	77	619	1,603
Cove	96	143	48	111	415	503
Coyote Canyon	258	272	175	195	892	1,415
Crownpoint	254	251	150	199	1,036	2,956
Crystal	274	200	162	167	725	848
Cudeii	140	147	71	144	494	540
Dennehotso	225	250	146	171	781	1,758
Dilkon	235	236	243	142	837	2,010
Forest Lake	102	189	63	109	471	505
Fort Defiance	689	560	432	492	2,484	7,019
Fruitland, Upper	270	322	136	308	1,039	2,626
Ganado	255	355	166	218	1,021	2,962
Hard Rock	129	330	99	162	667	1,460
Hogback	300	229	148	208	874	793
Houck	251	294	216	187	969	1,552
Huerfano	264	385	129	280	1,233	2,686
Indian Wells	162	197	121	114	632	1,334
Inscription House	140	259	107	160	666	1,162
Iyanbito	198	110	150	64	548	1,097
Jeddito	223	256	155	104	685	1,206
Kaibeto	255	324	109	202	939	1,786

Kayenta	421	527	303	372	1,882	6,144
Kinlichee	297	399	241	257	1,126	1,507

CHAPTER	1994		1997		Rgstrd Voters*	Total Popul.
	Yes	No	Yes	No		
Klagetoh	216	340	137	193	759	859
Lake Valley	75	105	38	48	353	498
Lechee	209	219	125	131	640	1,813
Leupp	171	298	129	180	836	1,718
Little Water	150	192	80	82	576	717
Low Mountain	161	202	137	94	637	743
Lower Greasewood	241	267	201	153	1,021	1,333
Lukachukai	248	392	146	214	992	2,359
Lupton	181	191	144	142	584	991
Manuelito	120	125	67	100	588	728
Many Farms	277	423	235	260	1,092	2,518
Mariano Lake	175	200	100	112	592	813
Mexican Springs	260	169	172	140	721	781
Mexican Water	120	153	76	94	683	605
Nageezi	232	277	126	200	960	1,102
Nahata Dziil	140	142	130	89	648	982
Nahodishgish	113	57	64	53	333	354
Naschitti	331	377	217	269	1,139	1,739
Navajo Mountain	96	186	62	105	552	683
Nazlini	172	276	136	173	715	1,228
Nenahnezad	212	216	113	199	840	1,391
Newcomb	142	203	63	178	530	730
Oak/Pine Springs	130	216	114	113	548	502
Ojo Encino	102	118	50	61	556	731
Oljato	243	431	105	226	1,105	2,302
Pinedale	178	199	127	101	731	663
Pinon	260	367	196	220	1,267	2,345
Pueblo Pintado	103	176	68	71	486	519
Ramah	173	232	148	275	995	1,277
Red Lake	127	91	76	88	421	2,559
Red Mesa	171	241	101	103	743	1,411
Red Rock	233	231	153	150	1,001	1,134
Red Valley	212	276	166	298	994	1,088
Rock Point	164	380	111	202	827	1,386
Rock Springs	194	182	125	125	801	1,864
Rough Rock	143	200	82	88	553	1,173
Round Rock	178	207	114	142	708	888
Saint Michaels	496	430	334	293	1,662	6,376
San Juan	93	76	68	72	413	602
Sanostee	307	520	175	351	1,260	2,338
Sawmill	248	272	184	159	783	972
Sheep Springs	223	147	92	107	555	743
Shiprock	909	822	556	778	3,378	9,204
Shonto	232	367	170	154	1,032	2,722

Smith Lake	123	148	81	112	565	571
Standing Rock	131	129	91	99	511	268
Steamboat	329	338	196	206	948	1,649
Sweetwater	157	275	108	157	749	1,338

CHAPTER	1994		1997		Rgstrd Voters*	Total Popul.
	Yes	No	Yes	No		
Tachee/Blue Gap	108	304	65	160	674	1,201
Teec Nos Pos	238	341	110	203	952	1,326
Teestoh	162	260	125	153	784	1,178
Thoreau	207	158	115	126	676	1,986
Tohatchi	383	293	211	237	958	1,786
Tolani Lake	136	160	109	78	548	751
Tonalea	218	417	172	255	1,103	2,377
Torreon/Star Lake	265	241	114	136	997	1,537
Tsaile/Wheatfields	242	308	166	179	1,075	1,655
Tsayatoh	175	188	101	89	638	1,613
Tselani/Cottonwood	242	372	155	235	1,150	1,650
Tuba City	424	525	441	356	2,881	9,068
Twin Lakes	336	228	181	157	1,011	2,221
Two Grey Hills	174	238	163	179	827	977
Whippoorwill	165	251	107	107	759	981
White Cone	196	269	153	113	708	966
White Horse Lake	100	146	53	73	481	697
White Rock	72	74	45	50	300	227
Wide Ruins	230	249	140	128	714	1,483
Total	23450	28073	15305	18087	93097	178,687

Agency	Nmbr of Chapters	1994		1997	
		Voted Yes	Voted No	Voted Yes	Voted No
WN	18	3,639	5,355	2,641	3,124
CH	14	2,927	4,397	2,028	2,519
FD	27	6,985	7,369	4,906	4,771
SR	20	4,441	5,358	2,616	4,062
EN	31	5,458	5,594	3,114	3,611
TOTAL	110	23,450	28,073	15,305	18,087

Note: * These numbers are for the year 2001

** These are the estimates for December 1999, done by the Division of Economic Development. The Navajo Nation.

Source: **For results of the referendum** - As published at the time of the Referendums.

For Population figures - Support Services Department. Division of Economic Development. The Navajo Nation.

For Registered Voters - Edward T. Begay, Speaker, Navajo Nation Council. Ist Quarterly Report to the Navajo Nation Council. Winter Session. January 2001.

Table No. 32

Overall Navajo Nation IRR Road Systems (in miles):

Agency	BIA		Tribal	State	County	BIA	Other Agency	Others	TOTAL
	Total	Paved							
Shiprock	1202.0	70.7	9.1	254.2	156.8	2.6	0.0	26.0	1721.4
Western	1405.2	452.2	19.5	499.1	114.3	23.2	2.0	6.2	2521.7
Eastern	694.7	0	5.9	508.4	1072.0	0.0	19.7	109.5	2410.2
Chinle	1040.4	61.9	40.6	61.9	307.2	12.6	18.8	0.6	1544
Ft. Defiance	1453.4	195.6	1.5	250.1	50.2	0.0	0.0	0.0	1950.8
NIIP	307.9	0	0.0	50.0	24.5	0.0	0.0	2.2	384.6
New Lands	83.4	34.7	0.0	34.7	0.0	0.0	0.0	6.5	159.3
Total	6187.0	815.1	76.6	1658.4	1725.0	38.4	40.5	151.0	10692.0

Source: Department of Transportation. The Navajo Nation.

Table No. 33

DINE COLLEGE**Student Enrollment by Headcount
Academic Years 1969 thru 2001**

ACADEMIC YEAR	FALL	SPRING	SUMMER	TOTAL
1968 - 1969	-	301	-	301
1969 - 1970	311	453	-	764
1970 - 1971	498	438	-	936
1971 - 1972	495	523	-	1,018
1972 - 1973	563	387	-	950
1973 - 1974	412	677	-	1,089
1974 - 1975	736	1,014	-	1,750
1975 - 1976	1,099	1,177	-	2,276
1976 - 1977	1,500	1,700	-	3,200
1977 - 1978	944	990	768	2,702
1978 - 1979	1,097	1,776	-	2,873
1979 - 1980	1,609	2,222	-	3,831
1980 - 1981	2,074	2,744	-	4,818
1981 - 1982	1,221	1,991	-	3,212
1982 - 1983	1,419	1,747	-	3,166
1983 - 1984	1,356	2,077	277	3,710
1984 - 1985	1,801	1,878	443	4,122
1985 - 1986	1,228	1,790	428	3,446
1986 - 1987	1,638	1,918	784	4,340
1987 - 1988	1,726	1,805	630	4,161
1988 - 1989	1,405	1,523	832	3,760
1989 - 1990	1,339	1,923	1,018	4,280
1990 - 1991	1,611	1,962	1,253	4,826
1991 - 1992	1,601	1,902	1,133	4,636
1992 - 1993	1,804	1,912	1,283	4,999
1993 - 1994	2,165	2,395	1,214	5,774
1994 - 1995	2,019	2,127	1,022	5,168
1995 - 1996	1,767	2,041	1,284	5,092
1996 - 1997	1,718	1,861	1,148	4,727
1997 - 1998	1,740	2,047	1,002	4,789
1998 - 1999	1,893	1,989	1,003	4,885
1999 - 2000	1,870	2,130	910	4,910
2000-2001	1,793	1,977	816	4,586
2001-2002	1,725	1,835	866	4,426
2002 - 2003	1,726	*	*	1,726

* Data not yet available

Source: Office of Admissions & Records and Office of the Registrar. Dine' Community College.

Table No. 34
Dine' College
1995 - 2001 Graduate Breakdown by Site

CAMPUS	1995	1996	1997	1998	1999	2000	2001	2002
Tsaile Campus	71	58	38	28	37	30	42	44
Chinle Center	14	14	28	18	22	30	22	16
Ganado Center	10	15	9	3	5	11	13	11
Kayenta Center	0	0	0	0	0	1	0	10
Tuba City Center	32	25	21	29	25	23	12	8
Window Rock Center	12	20	11	24	13	16	21	26
Shiprock Campus	24	33	22	31	26	27	20	20
Crownpoint Center	6	15	10	13	4	4	5	9
TOTALS:	169	180	139	146	132	142	135	144

Source: Office of Admissions and Records & Office of the Registrar. Dine' College. Tsaile.

Table No. 35

**Scholarship and Financial Assistance
2002 Annual Report**

Total number of grant requests received 13,172
 Total Number of grants awarded (4348 + 311) 4,659
 Total number of student not funeded 8,513
 Total award amount \$10,801,809 + \$357,274 = \$11,159,080

STATISTICAL PROFILE

Agency	E. Freshman	Amt Awd	Freshman	Amt Awd	Sophmore	Amt Awd	Junior	Amt Awd	Senior	Amt Awd		Grand Total
Chinle	186	427,056	160	371,728	206	533,044	142	424,890	65	175,151	759	1,931,869
Crownpoint	107	219,940	158	348,514	212	545,509	88	347,675	124	359,688	689	1,821,326
Ft. Defiance	193	396,968	249	576,274	276	748,771	168	533,627	140	471,730	1,026	2,727,370
Shiprock	201	446,263	143	303,702	228	501,857	129	336,515	124	310,907	825	1,899,244
Tuba City	221	474,088	192	391,773	264	623,078	205	520,217	167	412,844	1,049	2,422,000
Total	908	1,964,315	902	1,991,991	1,186	2,952,259	732	2,162,924	620	1,730,320	4,348	10,801,809

College Enrollment		
Agency	Student	Amount
Chinle	383	829,847
Crownpoint	270	633,825
Ft. Defiance	407	924,625
Shiprock	352	683,127
Tuba City	436	855,078
Total	1,848	3,926,502
Memorandum of Agreements		
C21283	25	48,521
C20332	1	115,000
C21181	135	30,000
C60636	17	54,500
C21336	33	12,375
CIT	100	96,875
Total	311	357,271

University Enrollment	
Student	Amount
376	1,102,022
419	1,187,501
619	1,802,745
473	1,216,117
613	1,566,922
2,500	6,875,307

Grand Total	
Student	Amount
759	1,931,869
689	1,821,326
1,026	2,727,370
825	1,899,244
1,049	2,422,000
4,348	10,801,809

PL 93-638 FUNDS	4,348	10,801,809
MOA	311	357,271
GRAND TOTAL	4,659	11,159,080

Source: Office of the Scholarship and Financial Assistance. Division of Economic Development. The Navajo Nation.

Table No. 36
Educational Attainment on the Navajo Nation by Race
 (25 years and over)

Race	Total Population 25 years or over		High School Graduate or Higher		Bachelor's Degree or Higher		No Schooling	
	Number	%	Number	%	Number	%	Number	%
American Indians	84,598	100.00	45,867	54.22	4,102	4.85	N. A.	N. A.
White	2,936	100.00	2,817	95.95	1,960	66.76	N. A.	N. A.
Total*	88,662	100.00	49,593	55.93	6,464	7.29	10,784	12.16

* Total includes all races and not just American Indians and Whites

Source: Census 2000. Extracted by Trib Choudhary. Support Services Department. Division of Economic Development.

Table No. 37
Educational Attainment - the Navajo Nation, Arizona, New Mexico, Utah and the USA.
 25 years and over

Level of Education	The Navajo Nation				Arizona		New Mexico		Utah		USA	
	Male	Female	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent
No Schooling Completed	3,917	6,867	10,784	12.16	49,930	1.53	22,736	2.00	8,668	0.72	2,617,960	1.44
Nursery to 4th grade	1,424	1,471	2,895	3.27	27,831	0.85	13,570	1.20	4,392	0.37	1,389,512	0.76
5th and 6th grade	1,570	1,718	3,288	3.71	77,813	2.39	31,379	2.77	11,716	0.98	3,450,278	1.89
7th and 8th grade	2,519	2,126	4,645	5.24	99,122	3.04	37,300	3.29	13,650	1.14	6,297,727	3.46
9th grade	1,397	1,417	2,814	3.17	72,841	2.24	26,919	2.37	17,136	1.43	4,492,879	2.47
10th grade	2,403	2,358	4,761	5.37	84,201	2.59	33,398	2.94	23,652	1.97	5,506,115	3.02
11th grade	2,556	2,730	5,286	5.96	82,716	2.54	34,319	3.02	28,896	2.41	5,187,579	2.85
12th grade, no diploma	2,455	2,141	4,596	5.18	125,093	3.84	40,360	3.56	38,901	3.25	6,773,575	3.72
High School Graduate*	12,488	10,845	23,333	26.32	791,904	24.32	301,746	26.59	294,426	24.58	52,168,981	28.63
Some College, less than 1 year	2,032	2,642	4,674	5.27	280,384	8.61	82,392	7.26	107,522	8.98	12,884,843	7.07
Some College**	4,717	5,657	10,374	11.70	578,781	17.77	177,532	15.64	241,158	20.13	25,466,752	13.98
Associate Degree	1,817	2,931	4,748	5.36	219,356	6.74	67,001	5.90	94,812	7.91	11,512,833	6.32
Bachelor's Degree	1,581	2,554	4,135	4.66	493,419	15.15	154,372	13.60	213,959	17.86	28,317,792	15.54
Master's Degree	617	1,174	1,791	2.02	185,814	5.71	76,028	6.70	64,693	5.40	10,770,947	5.91
Professional School Degree	189	143	332	0.37	57,304	1.76	19,432	1.71	20,554	1.72	3,619,535	1.99
Doctorate Degree	117	89	206	0.23	29,675	0.91	16,317	1.44	13,757	1.15	1,754,331	0.96
TOTAL	41,799	46,863	88,662	100.00	3,256,184	100.00	1,134,801	100.00	1,197,892	100.00	182,211,639	100.00
% High School Graduate or Higher	23,558	26,035	49,593	55.93	2,636,637	80.97	894,820	78.85	1,050,881	87.73	146,496,014	80.40
% Bachelor's Degree or Higher	2,504	3,960	6,464	7.29	766,212	23.53	266,149	23.45	312,963	26.13	44,462,605	24.40

* includes equivalency

** 1 or more years no degree

Source: Census 2000. Extracted by Trib Choudhary. Support Services Department. Division of Economic Development.

Table No. 38
Educational Attainment in the US by Race
 25 years and over

Level of Education	White		Black or African American		American Indians and Alaska Natives		Asian		Native Hawaiian and Other Pacific Islanders		Some Other Race		TOTAL	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Less than 9th grade	8,439,716	5.90	1,575,555	7.93	149,790	11.09	709,304	10.68	15,523	7.51	2,436,340	32.01	13,326,228	7.46
9th to 12th grade, no diploma	15,058,521	10.52	3,932,139	19.80	243,130	18.00	590,446	8.89	29,420	14.23	1,612,447	21.19	21,466,103	12.01
High school graduate (includes equivalency)	42,216,532	29.50	5,909,783	29.76	395,041	29.24	1,051,190	15.83	69,559	33.66	1,656,697	21.77	51,298,802	28.70
Some college, no degree	30,763,729	21.50	4,464,348	22.48	319,250	23.63	927,788	13.97	48,765	23.60	1,067,330	14.02	37,591,210	21.03
Associate degree	9,315,598	6.51	1,145,001	5.77	88,718	6.57	436,200	6.57	14,910	7.21	285,690	3.75	11,286,117	6.31
Bachelor's degree	23,734,685	16.59	1,877,471	9.45	102,552	7.59	1,771,798	26.68	20,078	9.71	375,911	4.94	27,882,495	15.60
Graduate or professional degree	13,556,878	9.47	953,798	4.80	52,517	3.89	1,153,945	17.38	8,420	4.07	176,706	2.32	15,902,264	8.90
TOTAL	143,085,659	100.00	19,858,095	100.00	1,350,998	100.00	6,640,671	100.00	206,675	100.00	7,611,121	100.00	178,753,219	100.00
High School Degree or Higher	119,587,422	83.58	14,350,401	72.26	958,078	70.92	5,340,921	80.43	161,732	78.25	3,562,334	46.80	143,960,888	80.54
Graduate Degree or Higher	37,291,563	26.06	2,831,269	14.26	155,069	11.48	2,925,743	44.06	28,498	13.79	552,617	7.26	43,784,759	24.49

Source: Census 2000. Extracted by Trib Choudhary. Support Services Department. Division of Economic Development.

Table No. 39

Data Related to Navajo Area Indian Health Services

SERVICE POPULATION

Users	225,639
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FACILITIES

Hospitals	6
Health Centers	7
Health Stations	14
Dental Clinics	22

BUGET ALLOCACATIONS (in millions)

Clinical Services	\$202.50
Preventive Health	\$14.30
Contract Health	\$52.30
3rd Party Revenues	\$143.50
Others	\$122.00
Total	\$534.60

WORKLOAD AND SERVICES

Hospital Beds	351
Discharges	17,763
Days	59,629
Outpatient Visits	1,119,240
Primary Care Visits	826,979
Dental Chairs	133
Dental Visits	126,506

STAFF

Physicians	333
Registered Nurses	701
Dentists	73
Others	2,443
TOTAL	3,550

Source: Mike Everett, Chief Statistician, Navajo Area Indian Health Services

Table No. 40

Some Health Related Data - The Navajo Nation & The USA

Details	Navajo Nation	USA
Beds Per 1,000 Population	2	
Physicians Per 10,000 Population	19.2	23.2
Births Per 1,000 Population	21.7	14.5
Life Expectancy at Birth*	72.3	76.5
Age-adjusted Mortality Rate Per 100,000 Population	628.9	479.1
Age-adjusted Death Rate Per 100,000 Population**		
Unintentional Injuries	135.1	30.1
Motor Vehicle	84.1	15.9
Cancer	87.5	125.6
Diabetes	41.1	13.5
Pneumonia/Influenza	30.8	12.9

* The Navajo Nation figures are for the year 1996-98 and US figures are for the year 1997

** Figures are for the year 1996-98

Source: Navajo Area Indian Health Service. 2003 Health Profile. Various tables.

Table No. 41

General Mortality Statistics - American Indians Vs. US. General Population*

Causes of Death	Percent Greater	Percent Less
Alcoholism	627	
Tuberculosis	533	
Diabetes Mellitus	249	
Accidents	204	
Suicide	72	
Homicide	63	
Malignant Neoplasms		10
Human Immunodeficiency Virus (HIV) Infection		60

* The figures are for the year 1994-1996.

Source: Trends in Indian Health. 1998-99. U.S. Department of Health and Human Services. Indian Health Services. Office of Public Health. Program Statistics Team. P. No. 6

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