

**STATEMENT
OF
DR. ROBERT W. MIDDLETON
DIRECTOR, OFFICE OF INDIAN ENERGY AND ECONOMIC DEVELOPMENT
OFFICE OF THE ASSISTANT SECRETARY-INDIAN AFFAIRS
DEPARTMENT OF THE INTERIOR
BEFORE THE SENATE SELECT COMMITTEE ON INDIAN AFFAIRS**

May 1, 2008

Good morning, Mr. Chairman and Members of the Committee. My name is Bob Middleton, and I am Director of the Office of Indian Energy and Economic Development (IEED) at the Department of the Interior. Thank you for the opportunity to present testimony today concerning the potential economic development opportunities available for American Indian and Alaska Native communities through energy resource development.

The Department believes that responsible development of tribal energy resources is critical to the economic viability of many American Indian tribes, and to the sustainability of many Alaska Native villages. Energy and mineral development represents a near-term solution for many tribes to promote economic development, small business, and job creation for their tribal members.

OVERVIEW

The U.S. Department of the Interior holds in trust, and assists tribes and Indian individuals in managing, approximately 56 million acres of land throughout Indian Country. In consultation with tribes, the Department has assisted tribes and allottees in the exploration and development of 2.1 million acres of active and 15 million acres of potential energy and mineral resources. This activity includes collection of exploratory data and identification of energy resources, funding of and assisting in feasibility studies, market analyses and other resource development initiatives, as well as overseeing leases and agreements for oil, natural gas, coal and industrial mineral deposits located on Indian lands.

The Department is responsible for developing, implementing and reviewing bureau-wide policies, plans, processes, environmental impact studies, industry leasing and development activities, and other functions related to development and production of energy and mineral resources on Indian lands. We provide advice and data concerning geotechnical, economic, and land-use issues to Tribes and Indian landowners who are seeking to manage and develop their energy and mineral resources. We also provide assistance in negotiating beneficial working agreements with developers, and guidance through the often complex and time-consuming regulatory approval process.

Also, the Department was given the responsibility for promulgating and implementing the regulations for Tribal Energy Resource Agreements (TERA), as authorized under Title V of the Energy Policy Act of 2005. These regulations were published in final form on March 10, 2008

and became effective on April 9, 2008. Use of these TERAs could provide significant flexibility for tribes that choose to develop their energy resources for economic purposes.

IMPLEMENTATION OF TITLE V

Since the passage of the Energy Policy Act of 2005, and the included Title V, titled the Indian Tribal Energy Development and Self-Determination Act of 2005, IEED has been working diligently to promulgate regulations to implement its provisions. We worked closely with tribes and tribal representatives to assure all of the provisions could be developed into a process that would be workable and effective for all parties. As I mentioned these regulations became final less than 1 month ago on April 9, 2008.

While it is too early to see what total effect these regulations will have in Indian country, we believe that a TERA will be a significant tool for tribes that would like to have more control over energy development decisions on tribal trust land. Several tribes have expressed interest in pursuing a TERA with the Department and on April 29, 2008, we held a national meeting in Denver with tribes that were interested in learning more about the final regulations and TERA development procedures. We provided tribes and the public with an overview of the TERA regulations that explained the processes and requirements for applying for and obtaining approval for a TERA and subsequent requirements for future monitoring and review of a tribe's activities under a TERA.

There are several tribes that are already major players in domestic energy markets, and we assume would take advantage of the additional flexibility of a TERA. In addition, there are many tribes that have less expertise in the energy development area but have significant energy resources and have indicated a desire to manage energy development projects on their tribal trust lands.

A TERA provides an alternative to those tribes that seek to use their energy resources to build their tribal economies and at the same time enhance their self-governing capability to control the pace and extent of development.

A TERA is an agreement between an Indian tribe and the Secretary of the Interior. Some of the concepts important to tribes included in Title V are:

- It is a transfer of authority, giving a tribe discretion to evaluate and manage energy-related business agreements or leases, or grant rights-of-way for pipelines, electric transmission and distribution lines without the Secretary's further review and approval.
- It only governs leases, business agreements, and rights-of-way related to energy resource development on tribal trust land.
- It provides enhanced self-determination and economic development opportunities for tribes by promoting tribal oversight and management of energy resource development on tribal land and providing Indian tribes an alternative to the Indian Mineral Development Act and the Indian Mineral Leasing Act.

- A TERA may include renewable and non-renewable energy resources.
- It may include all or part of a tribe's land that is restricted from alienation and some or all of the potential energy resources.
- Tribes may also assume related administrative and regulatory activities.
- A TERA can be amended to assume additional activities or to reduce the scope of the TERA.
- It may also include existing leases, business agreements, and rights-of-way that fall within the scope of the TERA.

While tribes have successfully used the provisions of the Indian Mineral Development Act and the Indian Mineral Leasing Act and the Department has implemented their regulatory responsibilities with a nod toward providing the maximum flexibility possible to tribes, these mechanisms and processes are not fully consistent with the self-determination and self-governance philosophy because, regardless of the level of technical, administrative or regulatory expertise of the tribe or its business partners, the Secretary is still required to evaluate and approve each energy development project negotiated between a tribe and a third party. A TERA would authorize tribes to take on this decision-making responsibility.

There are also two other provisions of Title V that IEED is implementing. First, we are soliciting proposals for capacity building grants that will allow tribes to build their internal skills needed to regulate, evaluate, and monitor their energy development activities. A Federal Register notice will be published this month announcing the availability of approximately \$1 million dollars in grants that will be available to tribes for this effort. This is only the second year of this type of funding. Last year we were able to issue \$400,000 in grants to several tribes. Over time, these technical assistance grants will allow many interested tribes to develop the capacity to maximize the benefits of entering into a TERA with the Secretary.

Second, we are developing a third-party web-based clearinghouse of environmental information that will be available to all tribes whether they have a TERA or not. The intent of this clearinghouse would be to allow easy access to environmental reviews, Environmental Impact Statements, Environmental Assessments, and other documents pertinent to energy resource development. We will also be developing individual environmental analysis modules specific to various energy project developments such as wind, oil and natural gas, coal, transmission, and electrical generation. The web portal will also provide tribes access to experts on environmental analysis, energy development, and natural resource protection who will be available to provide technical assistance to individual tribes.

As this program matures, it will be an invaluable opportunity for tribes to grow their own energy, environmental, and management experts to self-manage energy development on their tribal trust land. This will also allow tribes to capture significantly more of the value chain that results from energy development on reservations.

ENERGY PRODUCTION AND INCOME

Oil and natural gas production in Indian Country has been significant and has even greater future potential.

To date, more than 2 million acres of Indian lands have already been leased for oil and natural gas development. These lands account for about 10 percent of the oil and natural gas production from federally regulated onshore acreage. Based upon the latest data available from the Minerals Management Service, production of energy mineral resources generated \$475 million in royalty revenue paid to Indian individuals and tribes in 2007. Since 2002, annual income from energy mineral production increased by more than 113% and this trend is expected to continue for the foreseeable future.

However, the economic potential of future energy and mineral resources in Indian land has enormous possibilities. We estimate that an additional 15 million acres of undeveloped energy and mineral resources may exist on individual Indian and tribal lands, which if fully developed could result in billions of dollars in revenue for those tribes and individual Indian landowners over the period of production. Drawing from the results of various studies done over the years, we estimate that these lands contain over 5 billion barrels of oil, 37 trillion cubic feet of natural gas, and 53 billion tons of coal that are technically recoverable with current technologies.

As tribes and development companies create more sophisticated energy and mineral development agreements under the Indian Mineral Development Act, comprehensive energy and mineral information is required to understand, evaluate and negotiate these agreements. By having a more thorough understanding of the geo-technical data and economic information, tribes can confidently enter into complex agreements knowing they have a sound economic and business arrangement. In addition, if a tribe wants to take advantage of the opportunity to develop Tribal Energy Resource Agreements with the Department, we must ensure that the tribe has identified resources and land title information, and the technical and administrative capability to develop those resources.

Although historically energy production on Indian lands meant production from oil, natural gas, and coal, there is also significant potential for renewable resource development.

RENEWABLE RESOURCE DEVELOPMENT

The potential for renewable energy resource development in Indian Country is high. However, although many of these renewable energy resources are becoming more desirable to tribes, the amount of production from renewable resources has been limited by some external factors.

Many Tribal lands located contiguous with the lower 48 States are well situated to take advantage of a range of renewable energy resources. However, just because an area has a significant solar, wind, biomass, or geothermal resource does not always mean that resource development – even with tax incentives or renewable energy portfolios – is economically viable.

Other factors such as location of existing transmission lines and power generation stations, and distance to population centers affect the development prospects of these resources.

Many Indian lands evidence some form of biomass energy potential, from woody biomass from forestlands, and bio-diesel and ethanol production from agricultural and silviculture waste, to the growing and use of energy crops. We have identified 118 reservations with a high potential for biomass production. In addition, tribes in Nevada, California, Oregon, North Dakota, and South Dakota, and Pueblos in New Mexico also have potential to tap geothermal energy resources and most of the Indian lands in the Southwest and Western United States present opportunities for solar energy development. We are working with several tribes to identify available renewable energy resources.

I would like to use one of the most talked about and visible renewable energy resources – wind – as an example of how the Department is taking a proactive approach to assisting Tribes regarding these types of projects.

Indian Country encompasses some of the premier wind regimes in the U.S. Based upon recent site-specific calculations by IEED, for every 1 percent of acreage of tribal land within these wind regimes that are ultimately developed, an estimated 5.35 billion kWh per year, on average, may be generated using current technology. (Total U.S. electric generation from all sources in 2004 was 3,853 billion kWh).

We analyzed all the trust lands according to measurable factors affecting the economics that would determine a tribe's ability to build a utility scale wind farm. This screening process criteria included, but was not limited to, a wind resource of class three or higher, a land base with the potential for at least 50 MW (assuming 50 acres/MW or 2500 acres), distance to transmission lines, road access, and whether the Reservation/Trust Land is in a state with a Renewable Portfolio Standard that has not yet been met. There are currently 77 Reservations that meet these criteria.

Of the 77 Reservations, there are about 23 million acres with class three or higher wind potential. Although not all of this acreage will be developed, it does represent significant renewable energy potential in Indian Country.

Based on this analysis we intend to develop an Indian Land Wind Atlas. The purpose of the Wind Atlas is to attract potential investors and developers for commercial-scale wind development projects on Indian lands. IEED will create a map for each Reservation that features publicly available wind data, transmission lines, and a digital elevation model, along with some general information about the tribe(s) as well as contact information. The Wind Atlas will serve as a marketing tool that can be displayed at conferences. Each of the 77 Reservations will be offered the opportunity to be included in the Indian Land Wind Atlas.

In addition, IEED has already provided direct assistance to 25 tribes through funding or staff time with their wind projects. Currently seven Tribes are in the final stages of pursuing wind farm development, and a few others have been collecting data from anemometer towers and are close to approaching wind developers. The Blackfeet Reservation in Montana is currently in

negotiations with a developer to pursue a wind farm. In South Dakota, we supported the efforts of Rosebud Sioux Reservation to construct a single 750 kilowatt turbine which is currently in operation. We are also providing economic analyses and technical assistance as they pursue a 30 MW wind farm.

However, not all wind development is large-scale or intended for offsite use. IEED is providing support for construction of a 65 KW wind turbine at Pine Ridge Reservation to help provide power to the KILI radio station. I believe that more of these local, distributed generating opportunities need to be identified and supported. These are opportunities to decrease existing high-cost energy requirements while supporting the use of renewable energy.

ENERGY AND MINERAL DEVELOPMENT PROGRAM

In the last 25 years, Congress, through the Department of the Interior, has funded about \$83 million in projects to assess and help develop energy and mineral resources information on Indian Trust lands. IEED is now at the stage of working with tribes and providing them the technical assistance they need to move to the development and job-creation phase. We are further defining these resources by the use of detailed exploration, market studies, business plans, economic analysis, and lease negotiation that reflect the tribes economic, environmental and social needs. This is more proactive and useful to tribes to help them proceed with development and realization of economic benefits from their energy and mineral resources.

Today, our major objective is sustainable resource development focusing on Indian employment and income to the Indian Mineral Owner. This goes further than resource assessment which is the identification of the quantity and quality of mineral resources. Our focus on resource development (vs. resource assessment) is far more proactive and useful to tribes as they can proceed to an informed decision-making process for their resources that provides a springboard to the development and realization of the potential economic benefits.

We are providing tribes with access to state-of-the-art knowledge and geo-scientific based modern analysis of their energy and mineral resources to allow them to perform the following critical functions:

- a) strategic planning,
- b) formulation of economic and energy policies,
- c) evaluation of lands in the purview of the Federal government,
- d) development of sound environmental policies, and
- e) negotiation of sound Indian Mineral Development Act (IMDA) agreements with energy and mineral industry developers.

IEED also has accumulated a significant repository of industry-confidential exploration data (e.g., seismic data, well data). We have been actively providing technical assistance to various tribes by purchasing, reprocessing and interpreting thousands of miles of 2D seismic data as well as hundreds of square miles of 3D data. These studies have identified numerous prospects, some of which are essentially ready to drill. Some of the prospects still require additional data collection and evaluation to more accurately identify exploratory and development targets.

These evaluations yield prospects that enhance the marketability of Indian lands and results in better economic terms of an agreement.

During the boom era of the late seventies and early eighties, there was a considerable amount of acquisition of 2D seismic data acquisition on certain reservations, such as Wind River, Fort Berthold and Jicarilla. As needed, we purchase seismic data on tribal land using program funds. However because of changes in the petroleum industry over the last two decades, ownership rights to seismic data have passed to “seismic data brokers” who license data for use only. Therefore although the data is from Trust land, in most cases neither we nor the tribe have ownership of the data under this arrangement.

Based on the limited amount of seismic exploration on Indian lands discussed previously, most reservations in the western U.S. are lightly explored, especially with the newer technology 3D seismic data. However, many reservations are situated in sedimentary basins with proven oil and natural gas potential. Reservations are also currently surrounded by considerable industry activity, and therefore the probability is high that the oil and natural gas reserves that private industry is discovering just over the reservation boundary on Federal, State, or private, land will also be present on Indian lands.

ALASKA ENERGY SITUATION

Alaska Native villages have a unique energy situation. While rising energy costs certainly present problems for those of us who live in the lower 48, the consequences for Alaska Native communities, which are mostly rural, are alarming. The energy crisis impacts rural Alaska on both the individual and community level: when communities spend more on fuel, they spend less on key services. Many residents of rural Alaska often have to make difficult decisions regarding heating their homes, putting fuel in their vehicles, and feeding their families. Presented with these options, and in the face of the current upward trend of energy prices, it has been reported that many rural residents are abandoning traditional lifestyles for more urban settings thus devastating these longstanding vibrant rural communities.

Diesel fuel driven generators provide a majority of electricity in rural Alaska, especially on the Aleutian Islands where power transmission lines are non-existent. Because nearly all rural native villages generate their electricity locally using diesel generators, it is a balancing act each year for these communities. Diesel in Alaska is expensive at any time, with reported prices of around \$9 per gallon. Estimating how many gallons of diesel need to be stockpiled when it can be transported less expensively during the warmer months is an important decision. Order too much and a village has spent money it may need for other goods and services. But, order too little, and it quickly becomes very expensive to have diesel transported to the bush during the winter months, again spending money that may be needed for other things.

The Institute of Social and Economic Research (ISER) at the University of Alaska Anchorage issued a report which estimates that rural households face utility costs that are 50% higher than in 2000. Specifically, according to ISER, for a gallon of diesel fuel, prices have gone up 83 percent in rural communities from 2000 to 2006.

IEED has been approached by numerous communities for support on geothermal projects. The State of Alaska has completed preliminary surface geology mapping at many of these communities and documented the geothermal resources that are present. We have supported the communities of Unalaska and Adak on the Aleutian Islands. Both communities are currently generating their electricity using diesel fuel.

Geothermal prospecting basically involves finding an underground fracture system or swarm that can provide sufficient quantities of heat, steam and water. These three components are necessary for a successful project. To find a fracture system, and to significantly increase the success of the project, shallow seismic refraction studies are often done to locate the well and identify a drilling depth.

Unalaska has nearby thermal vents spewing steam and would be an ideal candidate for potential steam generation. This summer, the community is barging a drilling rig into the area to drill a municipal water supply well. This rig could be also be utilized to drill geothermal wells in the region. The mobilization costs for bringing in equipment are extremely high so it would be prudent to drill multiple holes while the rig is available. Unalaska currently is the home to an active fishing fleet and cannery.

Our second project area is on Adak Island, which formerly housed a large Department of Defense facility. The island's electrical generation facilities are powered by inefficient diesel powered generators to supply the electric needs of the 70 residents. There is a part-time cannery operation on the island supported by a small fishing fleet. In addition, the military left a 2.8 million gallon fuel supply tank that could potentially be used to fuel ships in the area and provide some job potential. The addition of geothermal generation would greatly reduce energy costs in the area. Numerous steam vents line the coast in the harbor near Adak. In addition, they have an extensive power line grid.

At both of these communities, IEED proposes acquiring and processing seismic data in an effort to locate the ideal site for a rig to drill an exploration borehole to help identify the optimal site for a future power generation facility.

We are also assessing potential wind projects that would enhance energy reliability for some villages. We are currently doing an assessment on the Pribilof Islands to determine the feasibility of developing a hybrid wind energy system.

SUMMARY

In closing, energy development on tribal lands is not a new industry. Certainly some tribes have a long history working cooperatively with industry to use natural resource development as a stimulus for their economies. However, with the current high demand for both traditional and renewable energy sources and technologies Native American communities contiguous with the lower 48 States are well situated to use their natural resources to enhance their local economies and meet the U.S. needs for energy. In addition, Native American communities in Alaska stand to benefit greatly from the development of alternative energy sources as a hedge against ever-rising crude oil and natural gas prices.

The Department believes that development of Indian energy and mineral resources can help foster strong Indian communities with sustainable economic development by promoting and supporting the creation of jobs, capital investment, Indian-owned businesses, and a trained workforce.



Accomplishments – Fiscal Year 2007

Office of Indian Energy and Economic Development
Assistant Secretary – Indian Affairs
Department of the Interior



South Interior Building – Room 20
1951 Constitution Avenue, NW
Washington, DC 20245
202-219-0740
202-208-4564 (FAX)

The Office of Indian Energy and Economic Development

The Federal government has a government-to-government relationship with 562 federally recognized tribes. In FY 2007, Office of Indian Energy and Economic Development approved \$87 million in loan guarantees to Indian-owned businesses, facilitated the transfer of \$86 million to tribes and tribal entities for economic development project, workforce development, and educational initiatives. We provided almost \$2 million in grants to tribes for feasibility and assessment studies and to develop the in-house expertise needed to conduct energy and mineral development activities. In addition IEED evaluated and approved 18 Indian Mineral Development Act (IMDA) agreements with a potential economic impact of more than \$3 billion in direct and indirect economic benefits.

Mission – Strengthen Indian communities by stimulating their economies

Vision – That all Indian communities will possess the same economic choices and opportunities to prosper as the rest of America

This report outlines, in detail, the specific programs and activities, and achievements in FY 2007 that result from the collaborative relationship between IEED and American Indian tribes and Alaska Native communities.

In the Department of the Interior (DOI) the Office of Indian Energy and Economic Development (IEED) was created to achieve results for the Secretary's Strategic Plan to advance quality communities for American Indians and Alaska Natives through economic growth. IEED works under the auspices of the Department of the Interior's Assistant Secretary – Indian Affairs.

IEED focuses on increasing the economic vitality of American Indians and Alaska Natives, and develops annual targets under five subordinate long-term goals, which IEED has formally incorporated into its internal Government Performance and Results Act review.

- **Long-term Goals**

1. **Promote Indian Economic Development** - Assist tribes to secure government procurement opportunities; prepare long-term, strategic development plans; examine development project feasibility; increase job and entrepreneurial training and improve economic infrastructure on reservations.
2. **Increase Tribal Business Knowledge** - Foster strong, diverse, and sustainable economic development through the promotion and support of Indian-owned businesses.
3. **Increase Jobs and Businesses** - Promote tribal self-governance and self-sufficiency of tribal members through an educated and trained work force.
4. **Increase Capital Investment** - Increase financing opportunities for tribes and Indian-owned businesses to achieve parity with non-Indian enterprises.

5. **Provide Assistance for Developing Energy and Mineral Resources** – Work with tribes to optimize development of their resources and to create business environments that enhance economic development.

To achieve these goals IEED provides technical assistance and facilitation services to tribes, and establishes information sharing networks that connect tribes and Indian-owned businesses with DOI-Indian Affairs staff and programs, other Federal, State, and municipal agencies, non-governmental organizations, and private industry.

Promote Indian Economic Development

Develop economic infrastructure on reservations

- **Identify Strategies to Overcome Barriers to Change**: IEED organized and funded the National Native American Economic Policy Summit, which it conducted in partnership with the National Congress of American Indians May 15-17, 2007. The Summit attracted over 500 tribal leaders and members from throughout the U.S. and policy and decision makers from numerous Federal agencies to identify Federal policies and practices that have stimulated tribal economies as well as persistent barriers that can be addressed through regulatory or legislative reform. The Summit examined Native American economic development issues in three areas: (1) Access to capital and finance; (2) Improving physical and legal infrastructure; and (3) Fostering domestic and international business enterprises. It had been over a decade since reservation economic policies have been systematically evaluated in this manner. One of the major results of the Summit was a database of over 300 economic development impediments identified. IEED is working with NCAI to finalize a written report, for release in November 2007 that will contain more than 100 recommended policy, regulatory, and legislative solutions. We will use this report as a baseline for the development of program initiatives to implement as many of those recommendations as practical.
- **Establish Computer Achievement Centers**: To address the “digital divide” that prevents remote reservations from enjoying access to the Internet and the global high-technology economy, IEED established a collaborative partnership with the Native American Chamber of Commerce, SeniorNet (the world’s leading technology educator of older adults), and IBM in August 2006 to place IBM-donated computer equipment and software at various reservation locations (called “Achievement Centers”). IEED is using these centers to establish a high-tech infrastructure on reservations by arranging for each Achievement Center to be equipped with 10 new computers, printers and a wide variety of software donated by IBM. Tribes are using the Achievement Centers for employment training, job searches, genealogical research, internet commerce and home-based businesses, among other purposes. Our objective for each center is to become self-sustaining, with the tribe funding computer replacement, maintenance, acquisition of new software, and upgrades and tribal members training their colleagues to use the equipment and software.

The first Achievement Center was dedicated at Blackfeet Tribe of the Blackfeet Indian Reservation of Montana in September 2006. The second Achievement Center opened in June 2007 for the Leech Lake Band of Ojibwe Indians at Cass Lake, Minnesota. IEED coordinated the launch of a third center in August 2007 for the Ysleta del Sur Pueblo of Texas and is working with its private sector and non-profit partners to open a fourth Achievement Center for the Houlton Band of Maliseet Indians in Houlton, Maine, scheduled for opening in the spring of 2008.

- **Develop Strategic Plans:** IEED provided technical assistance to the Ysleta del Sur Pueblo to formulate a long-term strategic plan to accelerate employment opportunities on the Pueblo. After helping to outline the parameters of the strategic planning effort, IEED provided funds for economic planning professionals to work with tribal leaders to identify tribal job creation and enterprise needs, and to revise tribal laws to establish an economic development entity. The Ysleta del Sur Pueblo used the funding to retain economic planners from the Winnebago Tribe of Nebraska and the Harvard Project on American Indian Economic Development.
- **Enhance Ability for Tribal Commerce:** In FY 2007, IEED assisted in the development of a curriculum to train tribal commercial law officials and administrators on how to implement the model Uniform Commercial Code. IEED also led an effort to explore how to establish and develop legal infrastructure components that support economic development in Indian Country at a 21st Century Reservation Comprehensive Planning Conference on October 4 and 5, 2007. These efforts recognize that commerce is not possible without the rule of law embodied in strong commercial codes that secure collateral and allow the free flow of credit between persons inside and outside the reservation. IEED's initiatives build on the product of the National Conference of Commissioners on Uniform State Laws and a working group of tribal officials that drafted a "model tribal secured transaction code" for use by tribal governments. The model provides a set of rules that specify how security interests may be created, perfected, and enforced, and who has first rights when two or more competing creditors have legally enforceable interests in the collateral.
- **Interagency Agreements to Foster Economic Development:** Developed and facilitated Memorandums of Understanding (MOU) between IEED and the Department of Housing and Urban Development (HUD) and the Native American Contractors Association (NACA). The purpose is to formalize collaboration between federal agencies and tribal organizations to achieve mutual goals of developing a comprehensive economic development strategy, providing essential elements to stimulate Native economies by creating new business, employment opportunities and access to capital, capital investment, workforce development, training, economic diversification and government contracting opportunities. We continue to work on developing similar agreements with United Indian Association (UIDA), National Congress of American Indians (NCAI), United South & Eastern Tribes (USET), Environment Protection Agency (EPA), Treasury (CDFI) and Office of Comptroller of Currency (OCC).

Increase Tribal Business Knowledge

Direct Support for Business Development

- **Business Development Training:** IEED initiated an effort to provide advanced training for existing Indian-owned businesses and contracted with the Tuck School of Business, at Dartmouth College, to provide business training sessions for senior management teams of Native American business enterprises. Dr. Leonard Greenhalgh presented intensive, 5–day, 3–day, and 1–day workshops to assist tribal and individual Indian business owners in developing and improving business management skills; establishing and running a business; maintaining accounting records; assessing performance; creating a high-performing business enterprise; and expanding existing operations. Participants learned about implementing company strategy, aligning operations to create customer value, operations strategy, analyzing and refining key business processes, prioritizing process improvements, and effective management techniques. IEED hopes to make this a multi-year arrangement.

These workshops were held for Southwestern Indian business executives at the BIA National Indian Programs Training Center in Albuquerque, New Mexico in April 2007; West Coast Indian business leaders at the Pechanga tribal facilities in Temecula, California, in June 2007, and Great Plains Indian businesses executives at the Standing Rock Sioux Reservation in North Dakota, in September 2007. IEED also co-sponsored a training session with the U.S. Department of Commerce for Indian business leaders in Tulsa, Oklahoma, in April 2007. A total of approximately 175 Indian business leaders attended the sessions.

- **Build a Business Case:** In FY 2006, IEED conceived the Native American Business Development Institute (NABDI) and then developed partnerships with Business Schools at the University of Michigan, University of Washington, University of Texas at El Paso, and Dartmouth College to assist tribal businesses to assess their financial opportunities, and draft proposals for financing and loan guarantees from private lenders, foundations, and government entities. In FY 2007, IEED added the University of Denver to the program. Participating schools assign a high-performing MBA candidate or team of candidates, as part of their academic curriculum, to work directly with a tribe to prepare a business plan. In FY 2007, NABDI helped the Jamestown S’Klallam Tribe analyze the potential of a business park, a security business, and a medical supply business; helped the Ft. Peck and Crow Tribes review the potential for new jobs in upland bird hunting; assisted Ysleta del Sur Pueblo to create new economic development uses for a dormant tribal wellness/recreation center; and helped the Mescalero Apache Tribe review the potential for new employment opportunities through the installation of a glass-covered greenhouse heated by way of woody biomass.
- **Develop Tribal Workforce:** In 2000 legislative amendments to Public Law 102-477 (477) allowed tribes to use a portion of their funds for economic development. IEED provide technical assistance to tribes in creating projects that successfully make the connection between economic infrastructure and workforce development through their 477 programs. IEED staff then periodically review programs for consistency with stated objectives and facilitate improvements to project operations. As an example, the Chickasaw Nation of

Oklahoma's 477 programs assisted 316 businesses during 2007. In another case the Spokane Tribe of Indians awarded 10 grants through their Entrepreneurship Program allowing tribal entrepreneurs to open new businesses providing services to the community and creating more than 40 new jobs for tribal members. The 477 program is now in the process of setting up contracts with the tribe to use some of the services such as janitorial and carpet cleaning. The tribe in its annual reports said "Overall, the 477 program has made an impact of \$8.2 million within the tribal and regional economy in its first 9 months of operation." Once successful, IEED invites these tribes to share their experiences at its bi-annual nationwide 477 conference and at its 477 tribal work group meetings.

- **Support Small Businesses:** In March 2007, IEED staff trained members of the Ysleta del Sur Pueblo about how to form a Small Business Administration 8(a) business enterprise and how to take advantage of Federal government procurement opportunities.
- **Support Youth Entrepreneurs:** IEED developed, planned, and funded a one-year Entrepreneurial Education Pilot designed for students at five reservation high schools. IEED recognizes that individual initiative, risk taking, and innovation are the dynamics behind reservation economic growth. IEED is therefore working to expose tribal members to entrepreneurship at the earliest educational stages. The pilot is a collaborative effort with the Bureau of Indian Education and the National Foundation for Teaching Entrepreneurship (NFTE). NFTE has developed award-winning text books, teacher plans, and support materials along with a Certified Entrepreneurship Teacher Training Program. Two teachers from each reservation school will be able to take advantage of NFTE training, and NFTE curriculum and training materials will be used by pilot program participants. In order to ensure that students are exposed to the business world and to validate that Native Americans can become successful entrepreneurs, the program will include field trips to successful Native American owned business locations and guest lectures from high-achieving Native American business persons.

Share Business Development Information:

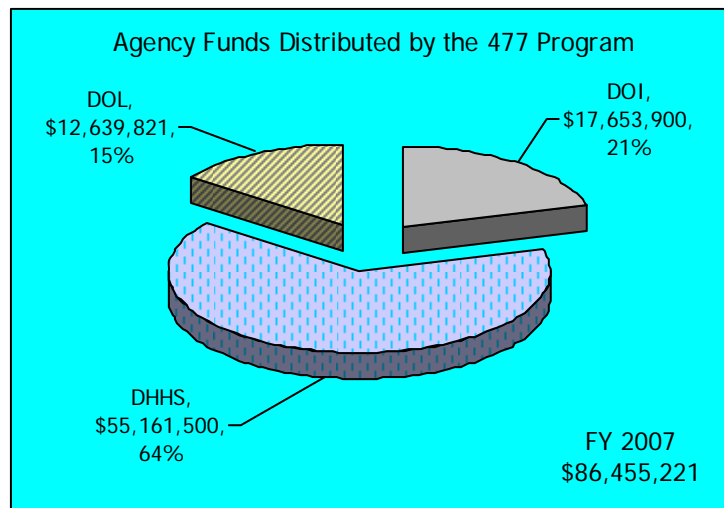
- **Business Alliance 2007 Conference:** IEED helped plan and sponsored the South Dakota Indian Business Alliance 2007 Conference in Rapid City, South Dakota in February 2007.
- **Business Structure Handbook:** Indian and tribally owned businesses often lack guidance as to how best to form business entities that minimize tax liability, preserve tribal assets, and enhance tribal sovereignty. IEED initiated a project with the Tulalip Tribes to create a Tribal Business Structure Handbook. IEED coordinated the review and evaluation of the handbook and coordinated its publication. The handbook will serve as a primary reference for tribal governments to use when contemplating the creation of a business enterprise and enables tribal governments to make informed decisions about the type of structure to discuss with tribal legal counsel and financial officers. The handbook can also impart an understanding of how various Indian business enterprises function by comparison. IEED next plans to distribute the handbook throughout Indian country and encourage tribal

governments to consult with one another regarding the success tribal businesses have achieved.

- **Inter-Agency Agreement:** IEED established an Inter-Agency Agreement with the Department of Health and Human Services' Administration for Native Americans to develop a demonstration project for a regional business training center in Billings, Montana. The center will provide Native Americans with business development services in the Great Plains Region where Indian private enterprise is underdeveloped and where the unemployment rate for Native Americans is extremely high.
- **Buy-Indian Act and Federal Procurement:** In 2007, IEED staff educated Indian business persons about the Buy-Indian Act and Federal procurement and 8(a) SBA programs at workshops conducted at the Rocky Mountain Indian Chamber of Commerce in Denver, Colorado on March 21-22; the Mille Lacs Band of Ojibwe at Onumla, Minnesota on April 10; the Rapid City Pro-Biz Summit (co-sponsored with Rapid City Chamber of Commerce, Pine Ridge Chamber of Commerce and U.S. Department of Commerce) May 21-23; Albuquerque (co-sponsored with the National Center for American Indian Economic Development), July 30-31; the Seminole Tribe of Florida, Ft. Lauderdale, Florida, August 21; the BIA Tourism Conference, Cherokee, North Carolina, September 16-20; and Milwaukee, Wisconsin, September 25-26.

Increase Jobs and Businesses:

- **Increase Efficient Delivery of Tribal Funds:** FY 2007 is the 14th year of the 477 project implementation. Under 477 IEED serves as the coordinating Federal agency for fund distribution from the Bureau of Indian Affairs' (BIA), General Assistance program, the Bureau of Indian Education's Higher Education, Adult Education and Johnson O'Malley Programs, the Department of Labor's Workforce Investment Adult and Youth programs, and the Department of Health and Human Services' Temporary Assistance to Needy Families, Child Care Development Fund, including the discretionary and mandatory programs and the Native Employment Works program.



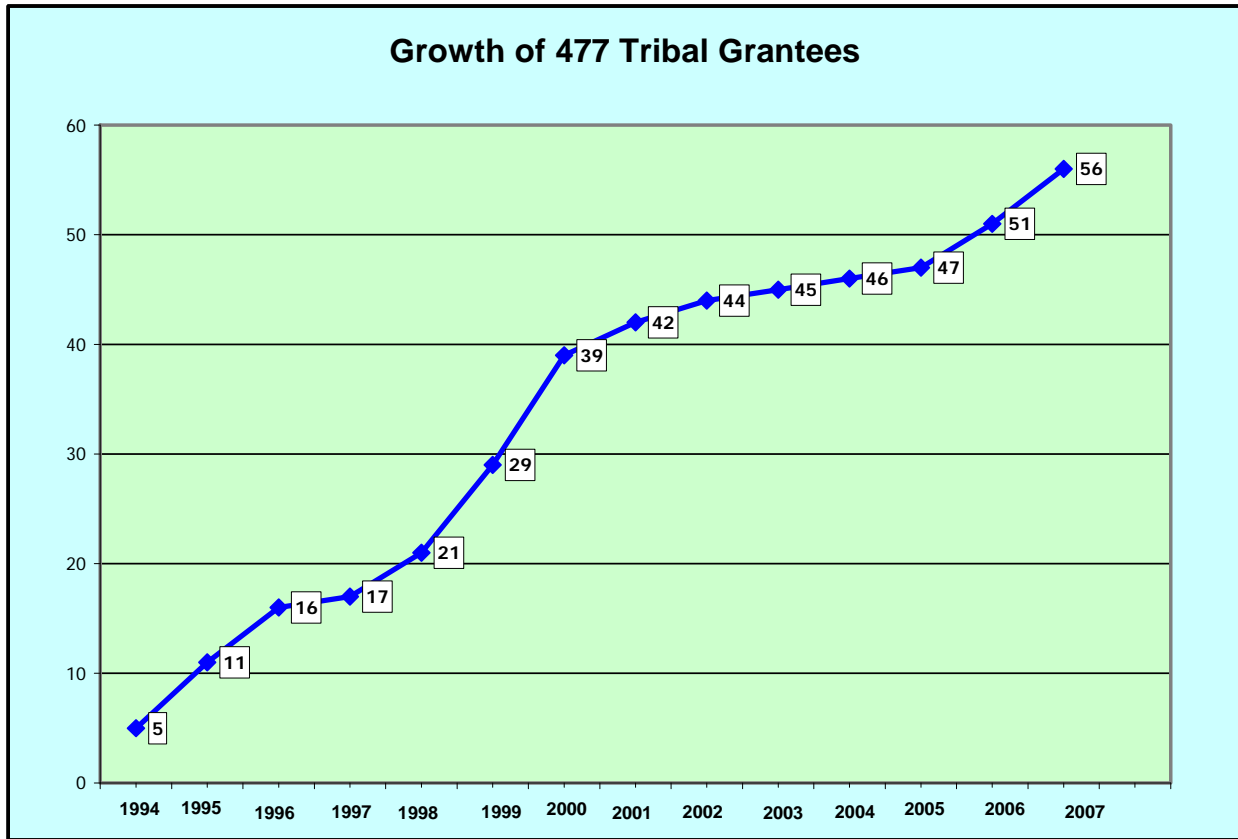
In FY 2007, IEED coordinated the distribution of approximately \$94 million through the 477 program to provide employment, training, education, childcare, welfare reform, economic development, and related services to assist the economically disadvantaged, unemployed or

underemployed. The 477 program served more than 40,000 clients and currently has oversight responsibility for 56 agreements that cover 243 Federally-recognized tribes.

- Increase Youth Financial Literacy:** IEED works with many of the 477 grantees to create and evaluate projects that will increase financial literacy and provide leadership training for youth. In FY 2007, 477 facilitated tribal programs served more than 12,000 youth on reservations. For example under the auspices of its 477 program the Chickasaw nation provided tutoring in reading, vocabulary and math services to 675 youth and provided 39 participants with the opportunity to attend a Native American leadership conference.
- Program Outreach:** IEED has developed a coordinated approach to enable tribes to take advantage of the cost-saving and efficiency enhancements of participating in the 477 program. In FY 2007, we developed a competitive grant program (up to \$25,000) for tribes that want to participate in the 477 program but lack the planning resources. These grants provide the resources that can allow a tribe to prepare a plan for review and evaluation. IEED also provided funding for the 477 Tribal Work Group to develop educational materials about the 477 program, and IEED staff coordinated and provided technical expertise for two in-depth training sessions for tribes seeking 477 participation. This approach has resulted in 20 percent growth in the number of 477 participating grantees in the last two years. To help ensure the success of the 477 grantees, IEED conducted on-site reviews of existing programs to ensure compliance with goals and objectives. In each of these cases, IEED staff prepared a final report for the tribe’s governing body that documented the review and any required changes or recommendations. IEED staff will continue to monitor the tribe’s performance and conduct follow-up reviews to ensure that the tribe makes the required changes (see *Table 1 and Figure 2*)

Table 1 – Fiscal Year 2007

Tribes that submitted new 477 plans	
Chickaloon Native Village	Alaska
Choctaw Nation of Oklahoma	Oklahoma
Fort Peck	Montana
Grand Traverse Band of Ottawa and Chippewa	Michigan
Leech Lake Chippewa	Minnesota
Makah	Washington
Tohono O'dham	Arizona
Tribes whose program had on-site reviews	
Cook Inlet Tribal Council	Alaska
Knik Village	Alaska
Pawnee Tribe	Oklahoma
Port Gamble S'Kallam	Washington
Red Lake Chippewa	Minnesota
Seneca	New York
Shoshone Bannock	Idaho
Siletz Tribe	Oregon
Spokane Tribe	Washington
Tohono O'dham	Arizona
Pueblo of Zuni	New Mexico



- Build Support for Indian-owned Businesses:** IEED has increased DOI's Buy-Indian efforts, which will increase revenue for Indian-owned firms, and has created a larger role for qualified Indian firms in Federal procurement by expanding an IEED-funded Intranet website it has been developing this fiscal year. In FY 2007, IEED established a performance measure to increase by 5 percent the FY 2006 total dollar value of DOI-Indian Affairs government charge card purchases from Buy-Indian vendors of office supplies and services, followed by a 1 percent annual increase in FY 2008-2011. The Buy-Indian web site directory identifies more than 100 qualified Indian-owned vendors and offers profiles about them, including their revenue volumes and recent service arrangements with DOI-Indian Affairs programs. DOI-Indian Affairs contracting officers will use the site to identify qualified Indian and Native Alaskan vendors for future procurement projects.
- Interagency Collaboration to Develop Business Expertise:** In FY 2007, IEED submitted a proposal to the Department of Transportation, Federal Highway Administration (FHA) to create an American Indian/Alaska Native Business Opportunity Workforce Development (BOWD) Center. We received a 2-year grant from FHA of \$1.8 million to develop a BOWD Center with a focus on assisting disadvantaged American Indian/Alaskan Native business enterprises (DBE) engaged in highway construction work. IEED developed a working partnership with the Citizen Potawatomi Nation (a 477 tribe), the Council for Tribal Employment Rights, and the 477 Tribal Work Group to achieve goals and benchmarks identified by the FHA. We believe the BOWD Center is successful in providing direct assistance to individual Indian-owned DBE's interested in expanding their business to effectively compete for Federal-aid highway construction work.

IEED has agreements with State agencies in Alaska, Washington and Oklahoma, and has arranged for support from the following businesses: Treas Construction, Oklahoma Guardrail, and L & M Construction – Oklahoma; Tolovana Construction and Tyonek Contractors – Alaska; and Moyer Construction – Washington

The following tribes are assisting with the implementation of this project: Knik Tribe of Alaska, Tananna Chiefs Conference, Citizen Potawatomi Nation, Choctaw Nation of Oklahoma, Chickasaw Nation, Cherokee Nation of Oklahoma, and the Spokane Tribe of Washington.

In addition the following construction companies have agreed to serve as mentors to assist the participating DBE's to grow and improve their ability to bid for Federal-aid highway construction jobs: Sewell Brothers Construction, Haskell Lemon Construction, and Cruz Construction

- **Tribe and Government Collaboration to Improve Delivery of Program Services:** In FY 2007, IEED initiated a demonstration project in partnership with the Bureau of Indian Affairs (BIA) Social Services program. This project will evaluate welfare clients and identify their needs so that the 477 program and BIA connect these clients to work opportunities that allow them to obtain jobs at livable wages. The demonstration project will be complete in September 2008.

In addition, IEED is collaborating with the Sisseton Wahpeton Sioux Tribe to train other 477 tribes on how to enhance opportunities for welfare recipients at the National 477 conference in October, 2007 using the tribe's nationally recognized Professional Employment Program as a model of success. Also, the Citizen Potawatomi Nation continues to collaborate with IEED in providing one-on-one technical assistance training sessions to other tribes towards using the 477 initiative as a tool in creating jobs and enhancing business development. With the technical evaluation from IEED, the Central Council Tlingit and Haida Indians have developed numerous models for developing operating procedure manuals, intake forms and related sampling tools to be used by tribes.

Public/Private Partnerships to Enhance Employment Opportunities

- **Laborers-Employers Cooperation and Education Trust (Trust):** IEED formed a collaborative effort with the Trust to make data available to tribes that detail upcoming industrial, transportation, and other projects being developed within 15 miles of Indian lands. The Trust has identified more than \$300 billion in potential projects. IEED coordinated sharing this information with tribes to assist them in planning for and preparing their workforce to compete for jobs and to work in fields associated with highway construction.
- **International Carpenters Training Center:** IEED initiated an agreement to obtain, at little or no cost to tribes, worker training to be carpenters, mill wrights, divers and pile drivers. We are working with the National Building trades to develop a cooperative agreement for occupational training for jobs as painters, tile layers and related skills.

National Indian Ironworkers (NII): Since 1972, the NII pre-apprentice program based in Chicago, Illinois has trained American Indians and Alaska Natives for jobs in the ironworking trades and has a 100 percent placement rate. IEED was made aware that the tools being used for training at the NII training site were old or being borrowed. IEED took the initiative to improve the program by coordinating the provision of funds for an effort to upgrade and update the NII School’s training equipment to ensure that students receive modern up-to-date technological training opportunities.

Increase Capital Investment:

- **Maximize Loan Guarantee Program**

Leverage: IEED approved loan guarantees amounting to about \$86 million – our ceiling for Guaranteed and Insured Loans for FY 2007. We guaranteed 51 loans ranging from \$15 million to Ahtna, Inc., an Alaska Regional Corporation for operating capital to \$11,000 for an Indian regalia sales shop in the Midwest. Ahtna, Inc. mainly serves the Copper River Region and is diversified – operating a construction company, pipeline maintenance, fiber optic telecommunications, forestry products and sand and gravel sales, among other things. Guaranteed loans in FY 2007 financed agricultural, tourism, data processing, minerals development utilities, and other projects.

Indian Affairs Region	Loan Guarantee Amount (\$\$)
Alaska	19,878,361
Eastern Oklahoma	17,400,000
Eastern	8,833,000
Great Plains	11,559,973
Midwest	789,591
Navajo	1,327,000
Northwest	13,597,501
Pacific	– 0 –
Rocky Mountain	1,978,000
Southern Plains	712,000
Southwest	4,683,494
Western	5,390,000

- **Maximize Program Reach:** In FY 2007, IEED approved four Community Development Financial Institutions (CDFI) as program lenders, and will be actively pursuing enlistment of other CDFIs. A CDFI is a small, community-based organization that serves the modest financing needs of areas that are typically rural or impoverished. Much of Indian country meets this description. In the Native American Technical Amendments Act of 2006, Congress authorized the Loan Guaranty, Insurance, and Interest Subsidy Program to include CDFIs as authorized lenders. We are hopeful that CDFIs will be a natural fit for the loan insurance feature of the program, and offer meaningful access to smaller business loans in many Indian communities for the first time ever.

- **Connect Lenders to Borrowers:** The Alaska BIA Regional Office and IEED collaborated to conduct an Alaskan Economic Development and Energy Conference in Anchorage on June 11-13, 2007. The agenda included training on the Indian Affairs Loan Guaranty and Insurance Program; government procurement; and SBA 8 (a) tribally and Indian owned business formation; law and lending in Indian Country. The conference also featured a networking session to link lenders with tribal and Alaska Native borrowers. In addition, IEED sponsored and participated in the April 17-18, 2007 Great Plains Regional Economic Summit in Rapid City, South Dakota, which is organized and conducted by the BIA Great

Plains Regional Office. IEED staff addressed attendees regarding the Indian Affairs Loan Guaranty and Insurance Program. It developed and moderated a capital investment panel consisting of representatives from Native American Bank of Denver, directors of Tribal Community Development Financial Institutions (CDFI), the Regional SBA office, Office of Comptroller of the Currency, and the Federal Reserve Bank of Minneapolis.

- **Independently Evaluate Program Effectiveness:** IEED obtained two independent reviews of the Loan Guaranty, Insurance and Interest Subsidy Program, administered under the Indian Financing Act of 1974, as amended. One was conducted by a group of Presidential Management Fellows, and focused on the penetration of the Program into lending and Indian business communities. The other was arranged through Chickasaw Nation Industries, and involved having Gabbard & Company and Dr. Brien Benson assess the extent to which Department personnel and systems effectively deliver Program services.
- **Improve Delivery of Program Services:** IEED worked with the Office of Management and Budget (OMB) to develop procedures for the adoption of OMB's new Credit Subsidy Calculator model at the end of FY 2007. This new model will help determine the multiplier used to determine our loan allocation ceiling. The Loan Guaranty, Insurance and Interest Subsidy Program GPRA goal for FY 2007 was to maintain a loss rate on DOI guaranteed loans of less than 4 percent. We ended the year at 1.6 percent, and have recently completed the acquisition and testing of Risk Analyst software to improve and standardize the credit analysis of our credit officers and the credit committee so that we continue to meet our GPRA performance goals without compromising our ability to issue loan guarantees.
- **Implementation of Regulatory Changes:** IEED held a series of tribal consultation meetings concerning forthcoming regulatory changes required by Title IV of the Native American Technical Corrections Act of 2006, and still other changes authorized by statutory authority dating back to 1988. A draft of the complex new rule – which adds Community Development Financial Institutions as authorized lenders, not-for-profit enterprises as authorized borrowers, a new loan sale system facilitated by a fiscal transfer agent, and bond guarantee procedures – has now been circulated among some 50 tribal representatives, financial executives, and private attorneys for initial review. Early reports are that the Division has done an excellent job of distilling several complex procedures into a comprehensive, fair and easy to understand rule.

Provide Assistance to Develop Energy & Mineral Resources

- **Nationwide Renewable Study:** IEED staff is creating a screening process to determine which Reservations have the most economic, utility scale wind farm potential. The goal is to determine the Reservations with top economic potential, and then find out which Reservations want to develop their wind resource. If a tribe is interested in a joint venture or lease agreement, IEED plan to assist in marketing their wind through an exhibit at an appropriate conference. Criteria used for the screening process includes, but is not limited to, a wind resource of class 3 or higher, a wind resource area with the potential for at least

50 MW (assuming 50 acre/MW), distance to transmission lines, road access, and whether the tribal land is in a state with a Renewable Portfolio Standard that has not yet been met.

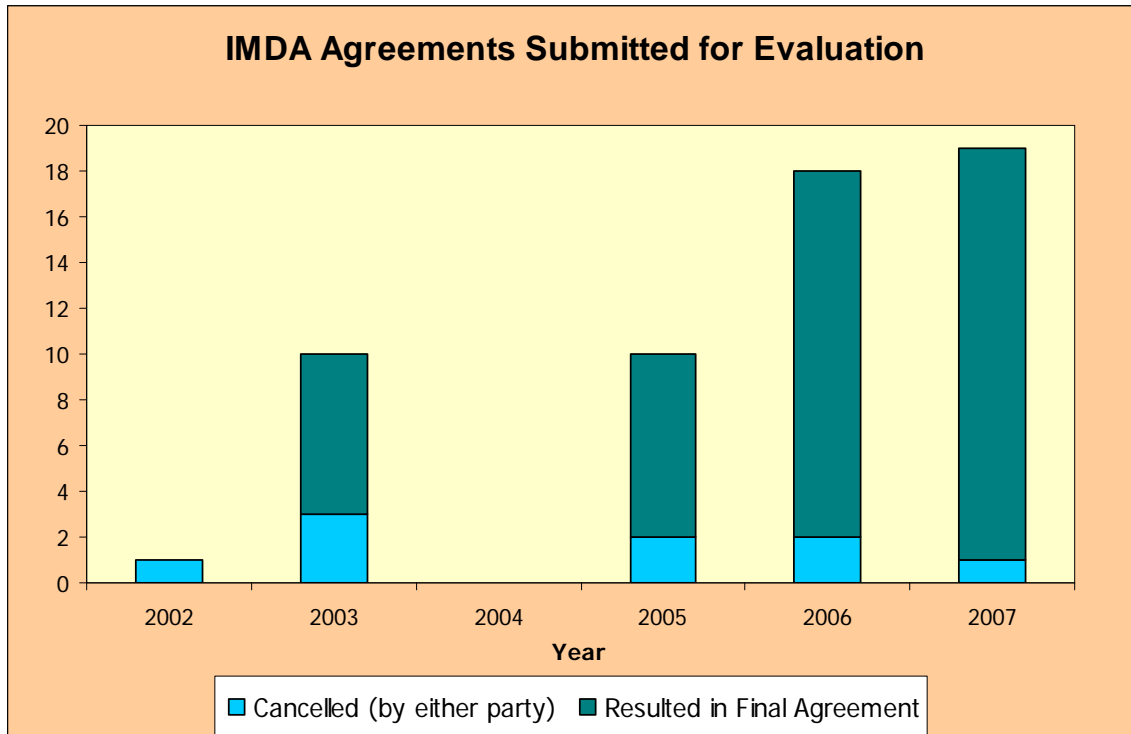
- **Revived Mineral Lease Bonding Program:** IEED assumed administration of the program for authorization and tracking of bonds issued for mineral leasing activity in Indian country. A private company must post a bond before beginning mineral development operations. The amount and types of bonding required vary based on the location and the number of leases held by an operator. In FY 2007, IEED approved 12 companies for nationwide oil and gas lease bonds through an approved surety company. Six companies were approved for replacement bonds. Replacements are issued when companies change surety companies. Four companies were approved for riders to existing bonds. Riders are issued to add additional principal names, in cases of mergers and acquisitions. Two companies were approved for assumption riders. Assumption riders are issued when companies assume the liabilities of previous approved bonds in cases of mergers and acquisitions. Two companies were approved for the cancellation of bonds. Cancellations are issued when companies are terminated and/or no longer have active leases on Indian lands. Cancellations are issued only after receiving approval from all regional oil and gas lease offices.
- **Tribal Energy Development Capacity Grants:** In FY 2007, IEED developed a competitive process to provide about \$400,000 in grants to tribes to develop in-house expertise and capabilities for energy development activities. We developed program guidelines and requested and evaluated proposals from tribes. Eight tribes were selected to receive TEDC grants with target completion date of September 2008.
- **Preparing Youth for Careers in Energy Development:** In FY 2007, IEED continued its contract with the Colorado School of Mines to develop a curriculum component for use at tribal community colleges to provide students with a foundation in the energy and/or environmental sciences. Working with faculty and staff at Navajo Technical College and United Tribes Technical College, CSM faculty developed core classes and trained NTC and UTTC faculty on curriculum delivery. The CSM effort will conclude in fall 2008.
- **Energy Rights-of Way Study:** In FY 2007, IEED in collaboration with the Department of Energy continued to collect comments on the draft report from individual tribal consultations and in a series of public meetings with interested tribes, energy companies and interest groups. IEED and DOE representatives conducted information collection, and technical analysis and evaluation on a range of issues ranging from tribal sovereignty and its inherent connectedness to the statutory and regulatory requirements of tribal consent; energy ROW matters; the importance of tribal self-determination policies in advancing oversight of energy ROWs and expanding energy production; the rising costs to industry of energy ROW renewals; and the trend toward shorter term lengths (in years) for ROWs and longer negotiation periods. In June 2007 the Departments delivered the final report to Congress.
- **Tribal Energy Resource Agreements:** In FY 2007, IEED analyzed public comment on the proposed Tribal Energy Resource Agreement (TERA) regulations (25 CFR Part 224) and worked with the DOI Solicitor's office to develop responses and make necessary changes to work towards finalization of the regulations. TERAs are an innovative alternative for tribes to

enter into energy-related business agreements and leases and to grant rights of way for energy facilities without having to obtain separate approvals from the Secretary. This enhancement to the self-governance authority of tribes allows for increased tribal oversight and management of energy and mineral resource development on tribal lands. The regulations await approval from the Office of Management and Budget before finalization and publication.

- Managed Growth in Development Proposals:** Indian energy and mineral resources generated \$440 million in royalty revenue paid to tribes and individual Indians in 2005. It is estimated that an additional 15 million acres of undeveloped energy and mineral resources exist on allotted Indian and tribal lands. Since 1982, IEED has developed the most comprehensive collection of energy and mineral resources information on Indian Trust lands. This database has identified and catalogued approximately \$800 billion of potential energy and mineral resources in Indian country.

In 2007, IEED redirected its energy and mineral development efforts to focus on an integrated approach of using market studies, business plans, economic analysis, and lease negotiations in a coordinated package to support Tribe’s economic development prospects. In the last two years IEED has been involved in 34 Indian Mineral Development Act (IMDA) agreements with a potential economic impact value of \$4.3 billion.

Specifically in FY 2007 IEED staff evaluated and recommended the approval of 11 oil and



gas IMDA agreements covering more than 900,000 acres of Indian Trust lands, with a potential value of several billion dollars (see *Figure 3*). In addition, we promoted Indian energy and mineral properties to energy investors and private industry resulting in over 100 new contacts and potential partnership agreements. IEED staff also assisted Tribes in

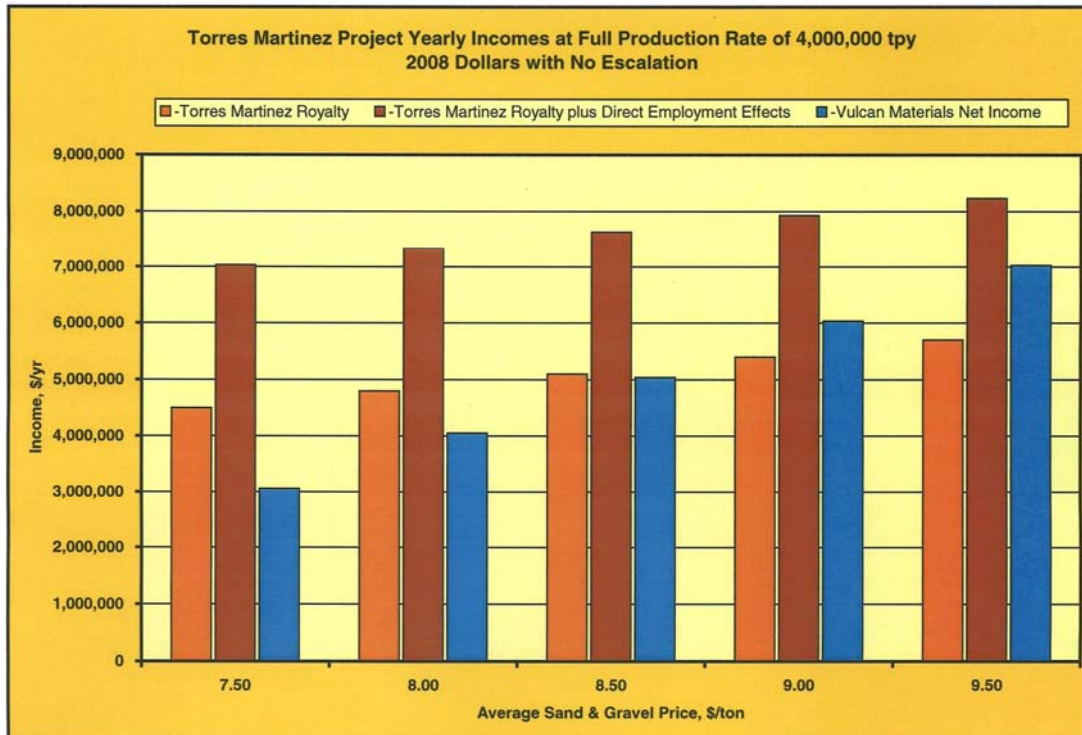
realizing their self-determination by conducting several high-level strategic planning, resource assessment, and good governance seminars.

As a result of these efforts in FY 2007, IEED expects the following projects to achieve significant milestones in the in FY 2008:

- **Crow Reservation:** Vast coal resources exist along the eastern portion of the Crow Reservation, Montana in an area 60 miles long and up to 12 miles wide, containing over 10 billion tons of coal recoverable by surface mining methods. This coal area is the western edge of the northern Powder River Basin, part of the largest coal producing area in the United States. IEED performed geologic and engineering studies that identified 6 billion tons of sub-bituminous coal that could be surface mined and marketed in the near future. These studies gave the Crow Tribe detailed information about the economic value of their coal resource that allowed them to consider entering into a resource development agreement, known as the White Horse coal project, with Rio Tinto Energy America (RTEA).

The White Horse project would be a surface coal mining operation that will take place over a 35 year period. To date IEED staff is providing on-going support to the Tribe in that negotiation, and is providing technical support in evaluating the coal resource. Current plans project a final agreement in 2008.

- **Torres Martinez Reservation:** Vulcan Materials Company has presented the Torres Martinez Desert Cahuilla Indian Tribe with a proposed IMDA agreement to lease sand and gravel mineral rights on the Torres Martinez Indian Reservation in southern California for a term of 40 years. IEED staff evaluated the proposed mineral lease and presented our findings and recommendations to the Tribe and the Southern California Agency of the BIA. In addition to benefits from production royalties this mining operation would create about 40 jobs for tribal members which would be among the highest-paid in the region. These jobs would be at the pit and processing plant plus associated facilities, such as an asphalt plant and a concrete ready-mix batch plant.



- Rocky Boys Reservation:** The tribe has been planning the development of a wheat ethanol plant. IEED assisted the tribe with conducting feasibility studies, formulating a business plan and beginning negotiations with potential industry and financial partners to build the wheat ethanol plant. Environmental studies have started, and the Tribe hopes to build the facility in 2008. This plant has the potential to generate 75 jobs for tribal members.

In addition, the tribe with IEED assistance is evaluating gas reserves on the reservation, and tribal energy company, Chippewa Cree Energy Corporation intends to purchase other private companies production interest on the reservation. The purchase of this asset will create 10 jobs for the tribe, and should increase net revenue to the tribe. This deal could lead to additional tribal negotiations with private industry to establish joint venture agreements to explore other reservation lands for oil and gas.

- Blackfeet:** IEED is assisting the tribe with negotiations for a transmission right-of-way that is needed for a proposed 1,000 MW wind farm on the reservation. The first step in an agreement would lead to the installation of meteorological measurement towers with construction of the wind farm starting in 2009. Project construction could result in as many as 200 temporary jobs and once in operations about 50 full-time jobs.
- Wind River:** IEED is assisting the Tribal Council with formulation of a Tribal energy policy and a Tribal energy company. The formation of a tribal company will assist the Tribe to become more independent and financially able to expand the economic holdings. At the same time we are also providing technical assistance and evaluation for four proposed Indian Mineral Development Act (IMDA) agreements for oil and gas exploration on the reservation.

- **Northwest Shoshone:** .The tribe has developed a business and development plan to install a 100 MW geothermal generation facility on the reservation, which is a known area of geothermal potential and has previously been used for electrical generation in the area. IEED staff provided technical support and economic analysis for this project and is also conducting economic analyses for related business associated with the power generation. Financing is currently being arranged and the first well should be drilled by July 2008.
- **Colville:** IEED staff is assisting with the development plan for a 10 MW biomass cogeneration power plant to be located at the tribe's saw mill, with completion of the project scheduled to be during 2008. IEED support for the development plan includes technical assistance with technology selection, power purchase agreement negotiation, permitting assistance, and securing financing options. We are also assisting the tribe with negotiating their joint development agreement with Clipper Windpower to develop 300 MW of wind power on the reservation. Lease agreements should be finalized by early 2008 with wind meteorological measurement towers installed immediately after the agreement is signed.
- **St. Croix:** The Tribe is developing a 6 MW biomass power plant for a cogeneration system co-located with the tribal fishery. IEED provided technical assistance with contractor selection, finalizing equipment selection with the local utility, negotiating a power purchase agreement, signing letters of intent with fuel suppliers, and securing project financing. Agreements are currently in negotiations with industry partners, and development of this project is expected to begin in late 2008.