

**TESTIMONY OF WESLEY MARTEL  
MEMBER OF THE SHOSHONE BUSINESS COUNCIL  
OF THE  
EASTERN SHOSHONE TRIBE  
OF THE  
WIND RIVER RESERVATION  
PREPARED FOR THE SENATE FINANCE COMMITTEE  
BILLINGS, MT**

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**August 24, 2001**

My name is Wesley Martel. I am a Member of the Business Council for the Eastern Shoshone Tribe of the Wind River Reservation in Wyoming. The Tribe appreciates the Committee's request for input on national energy policy as we believe Tribal trust resources can play a role in meeting the energy demands of the nation. We look forward to working with the distinguished Senators on the Committee, including our own Senator Craig Thomas. It is critical that tribal governments and Alaska Native Corporations, at their election, be in position to promote non-renewable energy resources on their lands to create economic development.

This development will have a double benefit for this country, alleviating both Indian poverty and the country's energy shortage. Energy legislation approved by the House Resources Committee, while a good start, fails to adequately support the development of Indian oil, gas and coal reserves. The kinds of assistance we need falls into three categories: (1) tax incentives to overcome the present triple taxation a company faces when it develops energy at Wind River, (2) financial assistance so the Tribe can develop its, administrative, technical and legal capabilities, and (3) relief from regulatory burdens that slow down, and thus, discourage companies from working on reservations. We hope the energy policy of this country, in our case, is not perceived as corporate welfare for "Big Energy" but as a means to assist tribal governments help communities suffering from high unemployment and lack of an economic base.

At last count, there were 16 bills pending before Congress with energy policy as a focus. H.R. 2412, which was titled the "Tribal Energy Self-Sufficiency Act" was meant to establish programs to improve energy development of Indian lands, and for other purposes and has met its demise. We thought Tribes were finally going to receive due recognition for the role they can play in the energy policy of the country but we still remain hopeful that provisions of the bill can be revived. The Tribe requests passage of bills similar to H.R. 224 to permanently extend the Indian employment credit and accelerated depreciation rules for property used predominately within an Indian Reservation. Energy companies need the long-term certainty that these credits are in place as they attempt to develop trust resources.

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Amendments to federal laws to treat Tribes as favorably as state and local governments are needed to expand authority to issue tax exempt bonds for development purposes and for private activity purposes. The Tribes desire amendments to the payment in lieu of taxes (PILT) program which will allow tribes to receive the same benefits as local governments with non-taxable federal lands within their jurisdiction. Finally, Congress should prohibit dual taxation of Reservation resources by states, or in the alternative, require that 100% of such collected taxes be returned to the Tribal government. We need to eliminate the multiple levels of outside governmental interference such as state and county taxation which hinders ability to create viable energy related projects and develop the physical and governmental infrastructure so crucial to future growth and development. The Tribes on the Wind River Reservation generate \$178 Million in economic activity, primarily oil and gas development, and 1600 jobs within Fremont County, Wyoming. However, of the \$12 million collected by the State of Wyoming in severance taxes each year from our mineral resources, only \$7.2 million comes back in the form of State funded services. In addition, Fremont County collects \$14 million from our oil and gas and we receive less than half of this back in programs and services. To exacerbate this problem, the school district boundaries of the Reservation are gerrymandered so that most of the valuation from the Reservation goes to non-Indian school districts! We are clearly contributing, but not benefitting from our own resources.

The Grants and Loans provisions of H.R.2412 follows tribal recommendations and would prove extremely helpful in assisting tribes develop administrative, technical and legal capabilities. However, these provisions need set aside appropriations to make these grants and loans a worthwhile reality.

The transfer of ownership of water and power projects located on Indian lands is a provision my Tribe supports. The language of this bill though, would discourage transfers because it holds the United States harmless for liability, does not permit a change in purpose or operation of the project and does not include authorization for funding for improvements prior to transfer. Additionally, the bill as proposed did not seem to change current Department of Interior authority because it makes the transfer subject to all applicable Federal laws, which would probably include the Federal Land Policy Management Act, (FLPMA).

Language in the proposed bill relating to the Indian Minerals Development Act of 1982 must identify impediments that disallows tribes from obtaining the highest opportunity to develop nonrenewable energy resources. An analysis of the barriers must be undertaken and solutions must be found for the best means to remove these barriers. Broader regulatory authority must be given to tribes in permitting, inspection, enforcement, production accounting and royalty auditing aspects of tribal energy development. Appropriations for critical staffing and technical needs in the natural resources area is key and is central to our Tribe's ability to move forward economically. Putting our land to productive use requires federal approval for almost every individual action. However, lack of manpower in key areas has severely limited

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wise use of the natural resources and in some cases creates burdens on the land which make it nearly impossible to use. Therefore, I request a specific appropriation for the addition of a geologist, petroleum engineer, and field inspection staff with expertise to expedite the permitting, processing and administrative requirements of existing proposals as well as assist the Tribe with long term planning for wise use of our mineral resources.

Indian Tribes are in a unique position to assist in meeting the energy needs of this country. The millions of acres of land under their ownership and control make it imperative the United States recognize the trust relationship and the contribution Tribes and Alaskan Natives can make to this country. Congress must establish and appropriate such sums as necessary to adequately support a senior level office at the Department of Energy to promote development of tribal energy programs and encourage relevant interagency and intergovernmental coordination. Thank you for this opportunity and I wish you well in your endeavors on these important issues.