



# THE CHALLENGES OF ENERGY AND ECONOMIC DEVELOPMENT

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*MANDAN, HIDATSA AND ARIKARA NATION (MHA NATION)*

# FORT BERTHOLD RESERVATION



[nativepartnerships.org](http://nativepartnerships.org)

- 16,000+ Members
- 6 Geographical/Political Segments
- 7 Member Tribal Business Council: Chairman + 6 Segment Reps.
- Today Approximately 1 Million Acres and Half Held In Trust

## HISTORICAL SELF-SUFFICIENCY

- Aboriginal trade center and self-sufficiency
- 1851 Treaty - Federal Government reduced our aboriginal land to 13 million acres and created our reservation and federal dependency
- We learned again to be self-sufficient through farming, ranching, and utilizing the rich resources of the bottomlands of the Missouri River
- Garrison Dam and the Pick-Sloan Project (1944 Flood Control Act) forced us to move to the high lands and once again created federal dependency

# BAKKEN SHALE



- One of the largest oil plays in the world; 300,000 bpd crude, nearly 25% of the state's 1.2M bpd
- The heart of the Bakken formation is located on the Fort Berthold Reservation



# Oil Boom increased opportunity for self-sufficiency once again but... What Are The Challenges?



## FAILED FEDERAL TRUST RESPONSIBILITY

- No Planning for negative impacts to tribal resources in general
- FBIR Specifically – (2005-2006) No study or research of oil and gas potential or assessment of tribal infrastructure needs
- Lack of Financial Support for infrastructure, i.e. roads (2014-2018 \$120M for construction, repair, and maintenance, next 10 years, \$1.3B)
  - High traffic – impacting school bus transportation, patients dialysis treatments
  - Fatalities
  - Archaic Road construction; roads torn asunder; currently \$3M/mile

## FAILED FEDERAL TRUST RESPONSIBILITY

- Lack of federal policies and standards on tribal lands
- Environmental impacts,
  - Spills – contaminating our land and water
  - Flaring – contaminating our air
- Increased Costs, e.g. \$100M rural water system

## DUAL TAXATION

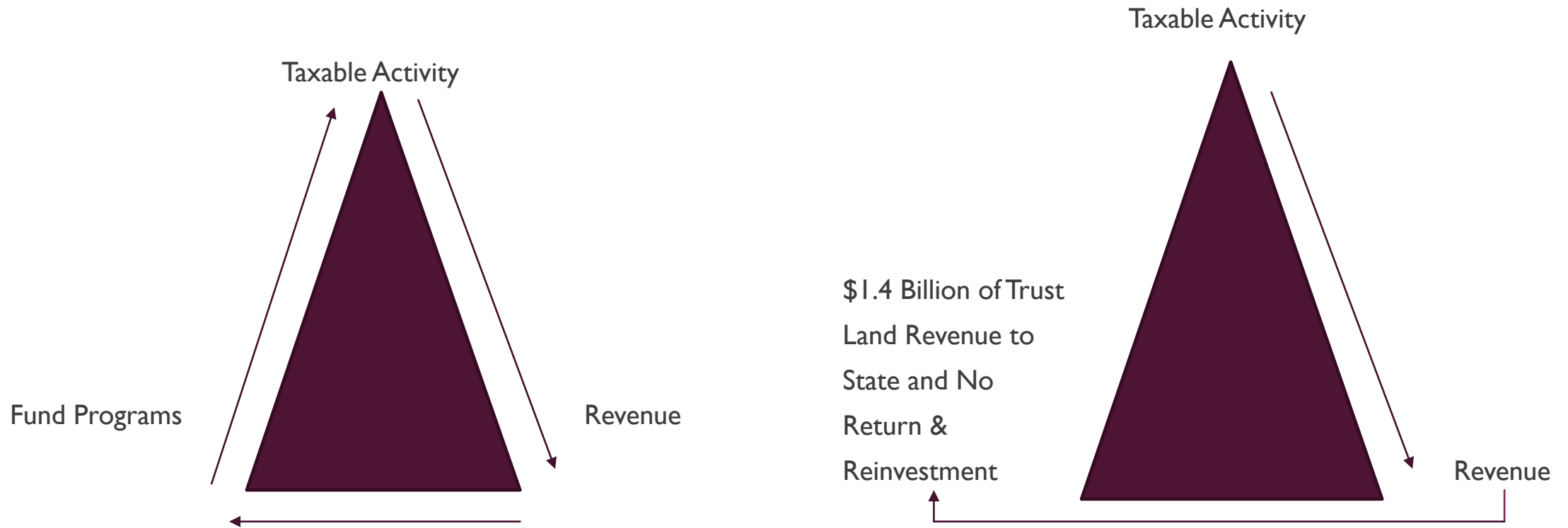
- *Cotton Petroleum Corp. v. New Mexico*, 490 U.S. 163 (1989)
- Forces Tribes to enter into Revenue Sharing Agreements with the State
- Nearly \$1.5 Billion loss of revenue; collected by the State under a Revenue Sharing Agreement



# TAX STRUCTURE

## HOW TAX SYSTEMS SHOULD WORK

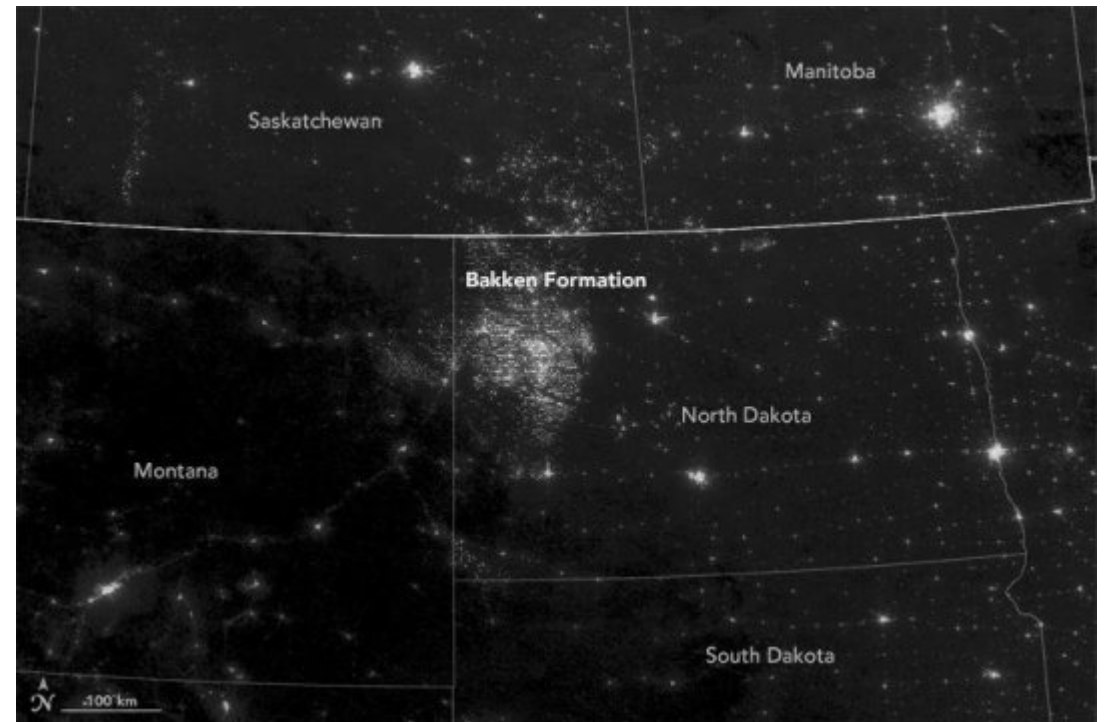
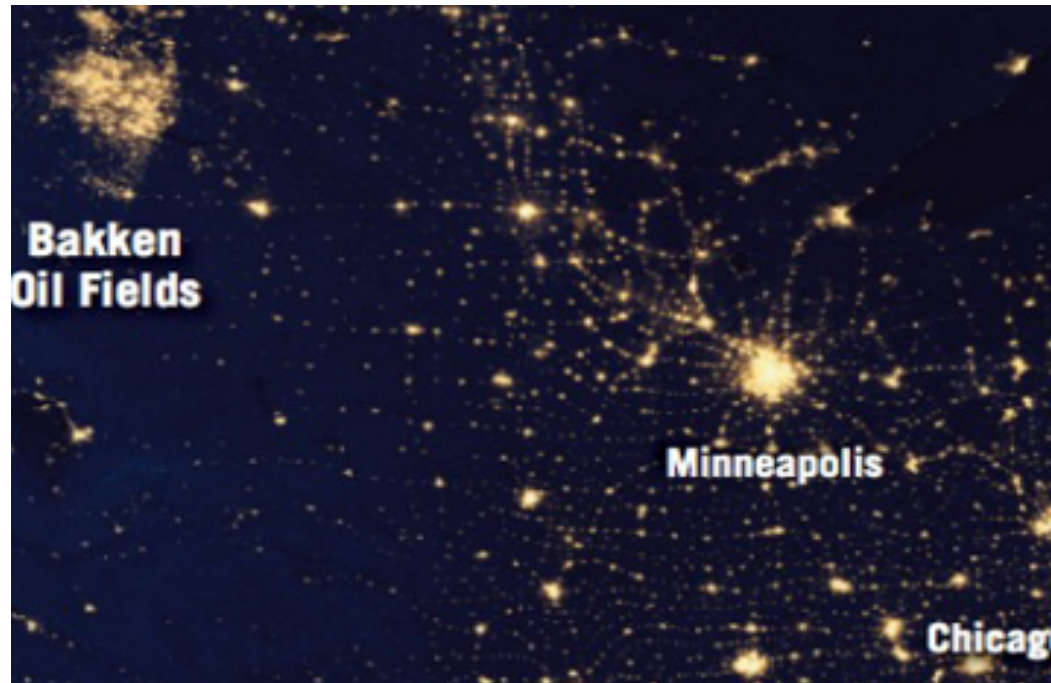
## RESULT OF DUAL TAXATION



# ACCESS TO CAPITAL

- Extremely Limited
- Inequitable Negotiation of Terms
- Impedes Sovereignty Model

# ENVIRONMENTAL IMPACTS OF ECONOMIC DEVELOPMENT - FLARING



## LEASING CHALLENGES AND EXPLOITATION

- Off reservation – non tribal farmers and ranchers economically positioned to maximize negotiations
- On reservation – tribal members lack of experience and unawareness of resource valuation

# HOW ARE WE CREATING ECONOMIC DEVELOPMENT AND SELF-SUFFICIENCY

- Responsible development – developing and implementing policies and standards that maximize our resources and protect our land, water, and people
- Utilizing Our Valuable Water Resource – water plays an intricate role in energy development

# SUCCESSSES IN ENERGY DEVELOPMENT

- Good Road Recovery Center
- Public Safety & Judicial Center
- Drug Enforcement Agency
- 300+ new homes built
- Constructing New Veteran Center, Tourism and Cultural Center, Child Safety Center, Wellness and Outreach Facility, Assisted Living Center
- Educational Support including a \$20 million trust fund



Photo by: Mike McCleary, Bismarck Tribune





## GOALS AND OBJECTIVES TO ENERGY AND ECONOMIC DEVELOPMENT

- Increase our Standard of Living
- Eradicate federal dependency without eliminating trust responsibility
- Diversify – we cannot put all our “eggs in one basket”

## CREATE OUR OWN ECONOMIC OPPORTUNITIES FOR SELF-SUFFICIENCY

- Grow our own food
- Return to an Aboriginal Trade Center Between Tribal Nations
- Export to Foreign Nations – fulfill a bigger role in the world economy



**THANK YOU!**



## **MHA NATION TRIBAL BUSINESS COUNCIL**

**Mark N. Fox, Chairman**

**Randy Phelan, Vice-Chairman, West Segment-Mandaree Segment Representative**

**Fred Fox, Secretary, East Segment-White Shield Representative**

**Mervin Packineau, Treasurer, North East Segment-Parshall/Lucky Mound Representative**

**V. Judy Brugh, Four Bears Segment Representative**

**Monica Mayer, M.D., North Segment-New Town Representative**

**Cory Spotted Bear, South Segment-Twin Buttes Representative**

QUESTIONS?

■ ??????

# POTENTIAL SOLUTIONS TO IMPEDIMENTS OF TRIBAL ENERGY AND ECONOMIC DEVELOPMENT

- Federal government recognizing tribes as sole taxing authority on trust lands.
- Federal government to re-organize federal assistance for energy impacted tribes to receive funding, i.e. road construction [\$3M/mile; 200 mi.].
- Tax Revenue Agreements (e.g. state) more equitable tribal share [SB2312].
- Cost share agreements to address infrastructure needs and improvements.