

EMPOWERMENT ZONES

Native Americans



United States Department of the Interior

BUREAU OF INDIAN AFFAIRS
Washington, D.C. 20240

IN REPLY REFER TO

SEP 15 1993

MEMORANDUM

TO: Sheryll Casein
National Economic Council
The White House

FROM: Bureau of Indian Affairs
Ernie Clark, BIA, John Jollie, BIA, Ken Reinfeld, DOI
Sub-Group Members

SUBJECT: Empowerment Zones Sub-Group on Capital Formation for
Business and Economic Development.

Thank you for your willingness to take our suggestions to the full working group.

We propose that a new sub-group, specifically for Indians, be formed within the economic empowerment working group. We also propose that a sub-group for Indians be established within the community enterprise board.

We suggest these as necessary steps for the numerous reasons listed in the remainder of this memo as well as in the attachments. However, in the short version, we believe that we have an unprecedented opportunity to drastically improve the manner in which the Federal government conducts its primary role in relation to Indians. Since the Indian Reorganization Act (IRA) of the early 1930's the Federal government has focused on providing safety net services to Indians. These services, usually begrudgingly given, are weak and ineffective. Because tribes enjoy a sovereignty level somewhat comparable to State governments, they maintain a closely guarded exclusive relationship with the Federal government that results in no State or County services going to tribes. Before the IRA the situation was even worse.

For the first time since at least the New Deal, we see an administration that will respect the Federal "trust" relationship and, within that framework, make Federal resources available directed at the devastated economies of the Indian reservation. We see this sub-group formation as absolutely necessary in bringing this potential policy and program revolution into reality. In addition, we believe if we do not protect this initiative through this manner of formalizing the effort under the auspices of the White House, it will undoubtedly become fractionated and fail.

American Indians have been a part of the "Enterprise Zones" planning process since the early 1980's at which time enterprise zones were proposed. Three publications of particular interest are relevant to American Indians and Enterprise Zones:

1. Applicability of Enterprise Zones to American Indian Reservations, U.S. Department of Interior, Bureau of Indian Affairs and U.S. Department of Health and Human Services, Administration for Native Americans, (1981);
2. Report of the Task Force on Indian Economic Development, U.S. Department of Interior, Washington, D.C. (July 1986); and
3. American Indian Enterprise Zones Summary of Past Initiatives and Look to the Future, The American Association of Enterprise Zones Educational Foundation, Washington, D.C. (February 1988).

The above reports outline unique problems that exist in Indian Country, such as geographical remoteness, high costs, small tribal populations, isolation from major markets, high poverty, lack of basic industrial infrastructure, and serious health problems (for additional background, see attachment). Because of these peculiar factors prevalent in Indian Affairs, we suggest the following:

- 1) Establish a sub-group of the Empowerment Zone Working Group to identify the institutional arrangements appropriate for Indian Country;
- 2) Insure that the sub-group include members from:
 - a) The Bureau of Indian Affairs;
 - b) Small Business Administration;
 - c) Department of Commerce
 - d) Department of Health and Human Services
 - e) Department of Agriculture
 - f) Department of Housing and Urban Development; and
 - g) Department of Transportation;
- 3) Develop a national Indian economic development strategy to be implemented within the framework of the President's Community Enterprise Board; and
- 4) Coordinate the development of both rural and urban empowerment zones with Indian tribes.

Please do not hesitate to contact us if you need additional information.