

**STATEMENT OF MICHAEL J. ANDERSON
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DEPARTMENT OF THE INTERIOR
BEFORE THE
SENATE COMMITTEE ON INDIAN AFFAIRS
HEARING ON S. 2052**

September 27, 2000

Good morning, Mr. Chairman and Members of the Committee. I am pleased to be here today to discuss S. 2052, a bill to establish a demonstration project to authorize the integration and coordination of Federal funding dedicated to community, business, and the economic development of Native American communities. The Administration has a number of concerns with the bill, including the general and specific concerns described in the attached document. The Administration is continuing to review the bill and will provide its position on the legislation to the Committee in the near future.

The federal government currently authorizes a wide variety of economic development, employment, training, education, procurement, contracting and related programs. Many are narrowly focused and target the same clients, provide similar services, and have the same or similar program goals. The overlap is compounded by the requirement of each funding agency to maintain separate records and separate administrative procedures. This situation frustrates tribal program administrators, and it confuses those seeking assistance. The Department is committed to reducing this administrative burden by participating in the governmentwide effort to implement Public Law 106-107, the Federal Financial Assistance Management Improvement Act of 1999, which Congress passed last year.

The Department, through the Bureau of Indian Affairs (BIA), currently participates in broad national economic development issues such as facilitating credit and welfare reform with other federal agencies such as the Departments of Agriculture, Housing and Urban Development, the Treasury, Health and Human Services, Labor, Commerce, and the Small Business Administration.

Within the BIA's Office of Economic Development, we continue to lead the implementation of the Indian Employment, Training and Related Services Demonstration Act of 1992 (Public Law 102-477), which authorizes the consolidation of all federal formula-funded employment, training, and related programs that tribes and tribal organizations contract with other federal agencies. The primary goals are to improve the effectiveness of services, reduce joblessness in Indian communities and serve tribally determined goals. The program was established in FY 1994, and in FY 1999, 22 grantees servicing 181 tribes participated in the program. Funding from the Departments of Health and Human Services, Labor, and other Indian education, job placement, training and welfare programs totaled more than \$20 million. In FY 2000, about 40 grantees servicing 215 tribes will participate in this program with funding totaling more than \$30 million. The Public Law 102-477 program supports the Administration's policy of providing tribes with the resources necessary to develop a self-sustaining economic base, which will in turn work to empower tribes.

Developing entrepreneurs and businesses in the e-commerce environment is new for the nation, new for the world and new for Indian reservations. We can report that the BIA has met with several institutions of higher education and proposes to develop a partnership with them to bring professional and state of the art e-commerce knowledge to reservations. Further, we are pleased to report that the BIA established a distance learning plan with the State Commission on Higher Education and with the State Information Technology Commission. This effort lays the ground work for other technology-based opportunities such as bringing advanced technology and e-commerce to tribes across the country. For example, the New Mexico Institute of Technology has recently been funded by the Department of Defense to establish the Institute for Complex Additive System Analysis, an effort to address high technology in the defense system of our country. The Administration supports developing entrepreneurs in the new e-commerce environment.

This concludes my statement. The Administration has identified a number of concerns with the bill and will provide its overall position shortly to the Committee. I will be happy to answer any questions you may have.