

THE NAVAJO NATION

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FRANK J. DAYISH, JR. VICE PRESIDENT

JOE SHIRLEY, JR. PRESIDENT

June 6, 2005

Senator Pete V. Domenici 328 Hart Senate Building Washington, D.C. 20510-3101

Re: Navajo Nation-New Mexico San Juan River Settlement

Dear Senator Domenici,

On April 19, 2005, Governor Richardson and I made history by executing a Settlement Agreement that purports to settle the water rights claims of the Navajo Nation to the San Juan River in New Mexico. The Settlement Agreement requires enactment of legislation that would include various authorizations, including the construction of the Navajo Gallup Water Supply Project and the execution of the Settlement Agreement by the Secretary of the Interior.

The proposed settlement is critical for the State of New Mexico because it would resolve the water rights claims of the Navajo Nation in a manner that would have minimal impact on existing water users and would eliminate the need for decades of protracted litigation over these water rights. The settlement is critical for the Navajo Nation because it would authorize the construction of the Navajo Gallup Water Supply Project, which would deliver water to water-short communities on the Navajo Reservation in New Mexico and to the communities of Window Rock and Gallup. The settlement is also critical for the United States because it would resolve the Navajo water rights claims to the San Juan River in New Mexico in a manner that does not upset the apportionment of water between the seven states in the Colorado River Basin. The settlement also resolves all claims of the Navajo Nation that United States did not adequately protect the water supplies in the San Juan River for the Navajo Nation.

The Secretary of the Interior has yet to execute the Settlement Agreement because she cannot obligate Congress to appropriate the monies necessary to implement the settlement. The Navajo Nation and the State of New Mexico have proposed legislation to authorize the Secretary to execute the Settlement Agreement and to authorize the expenditure of monies to implement the settlement. That I legislation is appended to the Settlement Agreement and has been shared with your staff. Your press release of April 19, 2005 indicates your preference for the Secretary of the Interior to execute the Settlement Agreement prior to consideration of the settlement legislation; however, because the Secretary cannot bind Congress, the settlement is structured for her to execute the Agreement only after approval by Congress.

The Navajo Nation understands your concerns about the huge costs of this settlement. Last September when I met with you and Senator Bingaman, you advised that the settlement should not

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include a guarantee of funding for the completion of the Navajo Indian Irrigation Project. On your advice, the settlement package approved by the Navajo Nation and the State of New Mexico does not include provisions guaranteeing the funding of NIIP. I believe this demonstrates the good faith of the Navajo Nation to work with you and Senator Bingaman, together with the State of New Mexico and the United States, to develop a settlement package that is fiscally responsible.

The Navajo Nation appreciates the need for further compromises by all of the parties for this settlement to succeed with Congress. We respectfully request and hope that in the near future you and Senator Bingaman will introduce legislation necessary to make the proposed settlement a reality. I pledge to you the cooperation of the Navajo Nation and my staff to find a common ground that represents a fair and equitable solution.

We look forward to working with you on this important settlement.

Sincerely,

THE NAVAJO NATION

Senator Jeff Bingaman CC: Governor Bill Richardson