

Statement of Perry Shirley
Alternate Member, Navajo Nation
U.S. Department of the Interior, Royalty Policy Committee
To the
Royalty Policy Committee
November 14, 2006
Denver, Colorado

The following is submitted on behalf of the Navajo Nation, as a member of the Royalty Policy Committee. Since 1984, the Navajo Nation (Nation) has performed compliance audits of its mineral royalty assets pursuant to a cooperative agreement entered into with the U.S. Department of the Interior's Minerals Management Service (MMS). The Nation is an active member of the State and Tribal Royalty Audit Committee (STRAC).

My statement addresses recent efforts of the STRAC officers, Ms. Lisa Dockter, Southern Ute Tribe, Ms. Brenda Petersen, Colorado, and Mr. Dennis Roller, North Dakota, and at-large members, Mr. Steve Dilsaver, Wyoming and myself, as well as Ms. Lucy Querques Denett, Associate Director, MMS, and key Royalty Management Program staff.

On October 17, 2006, a meeting was held to address several areas of concern that over the past months has resulted in failed communication and understanding among states, tribes, and the MMS. Among the issues discussed were: 1) government-to-government working relationships; 2) communication concerns; 3) points of understanding; and 4) STRAC meetings. The group discussion resulted in an understanding that despite the respective positions of each state, tribe and the federal government with regard to overall royalty management responsibilities and the roles shared by the stakeholders, consensus effort would be necessary to improve the respective government-to-government relationships in each of the aforementioned areas. Furthermore, it was understood that the states, tribes and MMS will work collectively to improve the effectiveness and the efficiency of STRAC meetings. This includes a continuing concerted dialogue on issues related to meeting frequency and sponsorship, as well as composition of meeting agendas.

The Nation is encouraged by the recent positive discussions and I am confident that ongoing discussions will result in improved royalty management policy and effective compliance activities for the benefit of states and tribes. I believe the majority of the states and tribes who share in the responsibility of royalty compliance pursuant to their respective cooperative agreements with the MMS concur.

If you have any questions, please feel free to contact me at (928) 871-6340 or by email at pshirley@frontiernet.net.