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Tuesday, May 24, 2011
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EPA Mandates Threaten Tribal Jobs and Energy Production, Affordable Water and Power Rates and Local Communities in Arizona

WASHINGTON, D.C. – Today, the House Water and Power Subcommittee and the Indian and Alaska Native Affairs Subcommittee held a joint hearing to examine the potential job and economic impacts of proposed Environmental Protection Agency (EPA) mandates on the Navajo Generating Station (NGS), a coal-fired generation plant in north-central Arizona.

“The EPA is moving to impose one billion dollars of new costs on the Navajo Generating Station, which will make it economically impossible to continue operations. It is important that we understand the irrational extremism behind this effort. This Administration is willing and indeed, appears eager, to throw thousands of tribal and non-tribal workers into unemployment, devastate the Hopi Indian Tribe and the Navajo Nation, compromise the Bureau of Reclamation’s ability to make water deliveries to millions of Americans and repudiate the federal government’s trust responsibility to numerous tribal nations,” **said Water and Power Subcommittee Chairman Tom McClintock (CA-04).**

The NGS is the eighth largest coal plant (in terms of output) in the nation and an important source of electricity for tribal and non-tribal water and power customers in Arizona, California and Nevada. The Obama Administration’s EPA is considering new emission controls at the NGS for the purpose of improving visibility in national parks and wilderness areas. Such mandates could impose over \$1.1 billion in compliance costs and potentially shut down the plant. At the hearing, the **President of the Navajo Nation, Ben Shelly**, discussed how the NGS has spent over \$650 million on environmental control technology to proactively address concerns and explained that, *“NGS is an essential component of the Navajo Nation’s economy and our energy portfolio, and must remain viable, for the sake of the Nation and our People, for years to come.”*

“The EPA, which regulates power plants on reservations, is endangering the survival of the Navajo Generating Station with absurd pollution controls. The costs and timeframes of such potential regulations regarding regional haze in the Grand Canyon could substantially increase power rates for customers or, in a worst case scenario, close the plant. Shutting down the power plant would jeopardize jobs, tribal economies, and water rights for thousands of Native Americans in Arizona,” **said Indian and Alaska Native Affairs Committee Chairman Don Young (AK).**

Two coal plants in the region have already been shutdown or shelved due to the EPA and

anti-coal environmental litigation. Members of the Navajo and Hopi Tribe fear that the NGS could meet a similar fate and that hundreds of good-paying jobs could be lost. The power plant employs 545 individuals, 80 percent of which are tribal workers. In addition, 415 tribal members work at the nearby coal mine. The mine provides nearly \$370 million in annual direct and indirect economic benefits to regional communities and provides \$46 million in tribal payments, water fees, revenues and scholarships annually to the Navajo and Hopi governments that jointly own the coal resources.

The **Chairman of the Hopi Tribal Council** testified that *“exercise of EPA’s authority would have severe and immediate economic impacts on the Hopi Tribe including rising unemployment, severe curtailment of social programs, slowing of capital advancements, weakened tribal government infrastructure programs, and other indirect economic losses.”*

In addition to producing electricity for three states, the NGA provides 95 percent of the power to pump over 500 billion gallons annually of Colorado River water to central and southern Arizona through the Central Arizona Project (CAP). Agricultural producers, Indian communities and cities such as Phoenix and Tucson depend on this project for their water needs.

EPA’s proposed mandates could also create a new liability for American taxpayers by undermining current Indian water rights settlements that stipulate access to affordable water. **Joseph Manuel, Lt. Governor of the Gila River Indian Community** testified, *“Imposing this kind of burden on a tribe that settled its claims for water on the promise of affordable CAP water would be akin to a second taking of the Community’s water supply, and the Community will not be able to sit idly by without taking every action available to it to fight such a breach of promise and trust.”*

Earlier this year, Representatives Paul Gosar (R-AZ) and Trent Franks (R-AZ) sent a [letter](#) to Subcommittee Chairmen McClintock and Young requesting a hearing on the NGS.

“For nearly thirty years, the Navajo Generating Station has been a vital economic engine and job provider in Northern Arizona and directly influences job creation in central and southern Arizona. It is paramount to sustained jobs, job creation, and economic recovery. In addition, the plant has played an instrumental role in providing affordable year-round energy and an affordable, reliable and sustainable water supply to cities, industries, farms, and Tribal communities encompassing nearly 80 percent of Arizona’s population. However, the viability of the plant is threatened by the EPA. The EPA’s hard line approach with respect to Navajo Generating Station is nothing short of a case study for this Administration’s EPA: overreaching its regulatory authority, exceeding Congressional intent, forgoing consultation with stakeholders. The EPA’s continued hard-line stance is a direct threat to the State of Arizona’s long-term water and energy security,” **said Congressman Paul Gosar (AZ-01).**

“This situation is a stunning example of environmentalism run amuck. Closing the Navajo Generating Station would be devastating to the economies of the surrounding region, including those of the Hopi and Navajo tribes. As the sole remaining buyer of coal from the Hopi tribe, shutting down the NGS would cut nearly 90% of the tribe’s income and would effectively shut down the Hopi tribe as a functioning government, in addition to putting hundreds of Arizonans (including hundreds of members of the Navajo tribe) out of work, and affecting hundreds of thousands of Arizonans’ current

ability to receive water and electricity. In exchange for all of the difficulties created, the only 'benefit' yielded by the dismantling of the NGS would be a change in visibility so slight as to not even be detectable without specialized equipment that is significantly more sensitive than the human eye. In other words, the supposed environmental benefit is functionally non-existent. This is far beyond the pale of environmental stewardship, and I look forward to a hearing during which these concerns can be laid out in greater detail," **said Congressman Trent Franks (AZ-02)**

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