

Remarks by Deputy Secretary of the Treasury Wally Adeyemo at the White House Tribal Nations Summit

December 1, 2022

WASHINGTON—Yesterday, Deputy Secretary of the Treasury Wally Adeyemo delivered the following remarks during an armchair conversation at the 2022 White House Tribal Nations Summit moderated by U.S. Treasurer Chief Lynn Malerba. Deputy Secretary Adeyemo outlined significant steps Treasury has taken to deepen the Department’s nation-to-nation relationship with Tribal Nations. This includes the pivotal role the Department has assumed in administering a historic level of financial support to Tribal communities, as allocated by Congress last year in the American Rescue Plan Act’s State and Local Fiscal Recovery Funds (SLFRF). Yesterday, Treasury released a new SLFRF [Tribal Recovery Report](#)  which highlights the diverse uses 579 Tribal Nations have adopted to support over 2.6 million Tribal citizens through over 3,000 projects.

ON STEPS THE ADMINISTRATION HAS TAKEN TO MAKE PROGRESS AND ADDRESS CHALLENGES IN INDIAN COUNTRY:

Thank you, we appreciate President Biden convening this summit. Treasury has taken a three-prong approach to address these challenges that has consisted of (1) support for Tribal governments; (2) support for Native CDFIs, and (3) support for Tribal and Native businesses.

First, we have prioritized support for the economic recovery of Tribal Nations. Treasury manages over \$30 billion in direct Tribal set asides and established a Tribal team in its Office of Recovery Programs and now a new Office of Tribal and Native Affairs to administer these funds under the leadership of Chief Lynn Malerba, our first Native American Treasurer.

These funds include a \$20 billion tribal set aside in the State and Local Fiscal Recovery Fund. Today, I am excited to announce the release of our SLFRF Tribal Recovery Report which highlights the diverse uses 579 Tribal Nations have adopted to support 2,666,151 tribal citizens through 3,037 projects. To date, Tribal governments have engaged in 694 lost revenue projects and 267 projects investing in the Tribal economy. These include:

- The Douglas Indian Association in Alaska which is administering a Tribal Fisherman Grant to assist small business owners in the fishing industry to address income loss during the pandemic.
- The Mescalero Apache Tribe is implementing a workforce development program focusing on vocational education. The program will provide scholarships to citizens and current employees to obtain certificates and further education in welding, carpentry, plumbing, electrical, and more – all critical and in-demand jobs to carry out the Tribe’s COVID-19 recovery plan.

I would also like to thank President Herman for hosting Treasury’s first secretarial visit to Tribal lands this past June where Treasury witnessed Rosebud’s transformative investments in Tribal housing with SLFRF funds.

Next, Treasury has supported the economic recovery of Native CDFIs via our CDFI Rapid Response Program (RRP) which provides capital to CDFIs to respond to the economic impacts of the pandemic. Of note, with respect to Native Communities, the legislation required that no less than \$25 million be awarded to benefit Native American Communities. In total, 58 Native CDFIs received awards totaling of \$54.6 million in awards.

Lastly, I am excited to announce that Treasury received an 83% subscription rate for its Tribal set aside in its State Small Business Credit Initiative (SSBCI) which provides Tribal and Native owned businesses financing support. SSBCI provides approximately \$709 million total available for Tribal governments and \$14.7 million available for Tribes through the SSBCI Technical Assistance Grant Program. Tribal applications for the SSBCI capital program are under review and funds have not yet been disbursed but proposed programs include:

- Supporting small business capital through collateral support, loan guarantee, loan participation programs; and development of Native CDFIs.
- Submission of joint applications to centralize program administration, pool allocations, and facilitate relationships with regional lenders and investors to support various projects, including energy and climate resilience projects. Presently, we have one joint application that features 100 Tribal governments.

ON WHAT MORE NEEDS TO BE DONE TO SUSTAIN AND ACCELERATE ECONOMIC DEVELOPMENT IN INDIAN COUNTRY:



Treasury thanks SBA for its leadership on the Access to Capital Initiative which now consists of a multi-agency effort coordinated through the White House Council on Native American Affairs. This Initiative is focused on 3 areas: First, identifying, summarizing and disseminating information to Tribal communities on all loan and financing programs available to Tribes. Second, identifying barriers to capital as well as policy, regulatory and statutory solutions to increase access to federal financing programs. Third, increase utilization of the federal capital programs by establishing baselines of use and setting metrics to improve the utilization rates of programs.

The Treasury-specific portion of this work will be to improve awareness of, utilization of, and access to the tax credits available to Tribes. We look forward to this work and engaging Tribes on topics related to data collection and evaluation for barriers and solutions.

As part of this work and our increased engagement with Tribal Nations, we have also just completed two days of Tribal consultation on the Inflation Reduction Act with over 200 attendees. The IRA represents the most significant legislation to invest in clean energy and address climate change in our nation's history. Of the IRA's \$369 billion investment in addressing climate change, \$270 billion will be delivered through tax incentives, putting Treasury and the Internal Revenue Service (IRS) at the forefront of this Act's implementation which provides opportunities for Tribal inclusion and expressly references Tribal governments or lands in five sections of the IRA. We look forward to reviewing these comments to inform our final IRA guidance to support Tribal access to these transformative tax credits.

Lastly, with regard to taxes, Treasury has heard from Tribal leaders—including both Chairman Butler and President Herman just now—that dual taxation on Tribal lands inhibits Tribal economic development and economic sustainability because it diverts tax revenue from Tribes to non-Tribal governments and inhibits private sector capital investment due to increased taxes levied by nontribal governments. In recognition of this issue, the Treasury Tribal Advisory Committee issued a report in 2021 that documented the effects of dual taxation and provided recommendations for federal partners. Due to increased Tribal leader interest, and to ensure a robust evaluation of these recommendations, Treasury is commencing a second consultation on this report in 2023 and will discuss consultation feedback on dual taxation and the Tribal General Welfare Exclusion Act consultations during the first public meeting of the Treasury Tribal Advisory Committee meeting of 2023.

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