

Remarks by Deputy Secretary of the Treasury Wally Adeyemo Before the Treasury Tribal Advisory Committee

January 24, 2024

As Prepared for Delivery

Good afternoon, Committee members, Tribal leaders, and attendees.

It's a privilege to meet with the Treasury Tribal Advisory Committee during your first meeting of 2024. In my visits to Tribal Nations in California and Virginia in 2023, I had the opportunity to hear directly from Tribal leaders on economic priorities and learned about the instrumental role your committee has had in informing our institutional relationship with Tribal Nations.

Since its creation, the TTAC has emphasized that Tribal Nations need to have a dedicated office at Treasury with access to leadership to improve Tribal policy across the Department. We took this feedback into consideration and created the Office of Tribal and Native Affairs in the Office of Treasurer. President Biden also appointed Chief Lynn Malerba, a former TTAC member, to the position of Treasurer of the United States. This role is a senior member of the Secretary's team.

You asked for a structure that supports nation-to-nation engagement, and we answered through action. Our investment in institutional change has improved our policy decisions. For instance, our Tribal office advises our Office of Capital Access on the implementation of \$30 billion in Tribal set asides and has supported over 700 engagements with Tribes to ensure we understand Tribal needs as they arise.

For example, in early Tribal engagement on the State Small Business Credit Initiative, we heard from many small Tribes that the ability to form a consortium was critical to leveraging economies of scale to meet SSBCI's statutory requirements. While the statute authorized joint applications, the details were left to the Department to implement. We engaged in Tribal consultation and subsequent significant Tribal engagement through office hours to hear Tribal needs as they arose. This engagement informed our development of an application process that enabled consortia applications and we extended deadlines to facilitate these applications which can often require extensive inter-Tribal government engagement.

In December 2023, I had the privilege of participating at the White House Tribal Nations Summit where the President announced his new Executive Order 14112, which includes an encouragement for all departments to facilitate consortia applications and adopt flexibility in administration to improve Tribal access to federal funding. Tribal engagement drove our departmental change which is now national policy. We continue to award SSBCI funding to Tribes and to date have approved \$251 million in Tribal SSBCI funds.

Related to Tribal and Native financing, during this Administration Treasury has invested a historic \$234 million in Native-owned and Native-majority shareholder depository institutions through the Emergency Capital Investment Program and made the two largest infusions of federal capital to Native-serving CDFIs in the history of the Department's Community Development Financial Institutions Fund (CDFI Fund).

We are also dedicated to increasing access to tax credits. We recently revised Treasury's consultation policy and affirmed that the consultative obligation applies to all Treasury offices and bureaus, including the IRS.

Last year, the CDFI Fund announced its New Market Tax Credit Native Initiative to increase investments in Native areas. Since the NMTC Program's inception, the CDFI Fund has recorded \$1.8 billion of investments in Indian Country. And in 2023, the CDFI Fund announced a \$100 million NMTC allocation to Native Community Development Entities.

On the clean energy end, we are committed to increasing Tribal access to the tax incentives contained in the Inflation Reduction Act. The IRA represents the most significant legislation to invest in clean energy and address climate change in our nation's history. For the first time, the IRA makes certain clean energy tax benefits directly available to tax-exempt entities like Tribes through a payment mechanism called elective pay, or as many people call it, "direct pay."

In recognition of this historic opportunity for Tribes, we have conducted five IRA consultations and issued guidance across a number of tax credits. This guidance has included proposed regulations on elective pay, a pre-registration filing tool, a Tribal elective pay fact sheet, and over 14 Tribal engagement sessions ranging from webinars to regional Tribal organization presentations to discuss available IRA opportunities.

The Low-Income Communities Bonus Credit Program is an example of our inclusion of Tribal feedback in tax credit administration. Treasury conducted consultation and issued final guidance for the 2023 Program Year that reserves 200 Megawatts for projects on Indian lands,

provides a reservation of available capacity limitation for certain applicants like Tribes and their corporations, and permits certain single-family housing projects based on Tribal consultation feedback. The IRS has already approved 16 megawatts of renewable energy facilities located on Indian lands to date. Applications are still being accepted for the 2023 program year and we also look forward to opening 2024 allocations later this year.

As I close, I want to recognize that while Treasury has made progress on Tribal issues, there are long-standing Tribal tax matters that require agency action. We have heard your feedback and are continuing internally to work on developing guidance for these matters.

In conclusion, I thank TTAC and Tribal leaders for your partnership with Treasury and I look forward to hearing from you today on Tribal priorities.

###