



25TH NAVAJO NATION COUNCIL

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MEDIA CONTACT:

nnlb.communications@gmail.com

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Resources and Development Committee discusses freight rail feasibility study, receives \$1 million dividend check



The Resources and Development Committee were joined by staff and leadership from the Navajo Agricultural Products Industry for a \$1 million dividend check presentation.

WINDOW ROCK, Ariz. – During a recent Resources and Development Committee meeting, officials from San Juan County presented a feasibility study for a freight line that proposes to connect the San Juan Generating Station to freight lines near the I-40 corridor.

According to San Juan County Manager Mike Stark, the County has been working with the Navajo Nation on this project since February 2020. The Nation entered a Memorandum of Understanding with San Juan County, which enabled the County to apply for a \$2 million U.S. Build Grant to fund the feasibility study.

Stark also noted that the County has applied for a \$40 million Consolidated Rail Infrastructure and Safety Improvement grant to advance the project to the next phase, which includes preliminary engineering.

Council Delegate Otto Tso emphasized that discussions about the feasibility study should focus on how the project will benefit the Navajo Nation.

“Ultimately, this project will pass through tribal trust land,” Delegate Tso said. “Tribal officials will have the final say on its approval.”

Resources and Development Committee Chair Brenda Jesus expressed concerns about the long-term viability of freight rail as an industrial transportation option.

“We’re in an information technology era,” Chair Jesus said. “The discussion about extending this railway has been going on for decades. We need to hear how feasible and sustainable this project will be moving forward.”

Stark addressed the issue of multiple power plant closures in New Mexico, many of which are located on or near the Navajo Nation. He explained that these closures have had significant impacts on Navajo Nation revenues, jobs, and tax resources.

“We’ve been exploring ways to collaborate and expand infrastructure, including freight rail, to help mitigate those losses,” Stark said. “Forty percent of goods in our nation are shipped via freight rail.”

He added that expanding the freight rail system would open numerous import and export opportunities for the Navajo Nation, including agricultural products, recycling and solar projects, food products, energy resources, and other manufactured goods.

For the project to move forward successfully, Stark emphasized the need to strengthen the government-to-government relationship with the Navajo Nation. He expressed hope that the feasibility study, preliminary engineering, and financing could be completed by the end of 2027, with construction taking an additional two to three years.

“We must build this alliance with the Navajo Nation,” Stark said. “That’s one of the reasons we were able to secure the grant.”

In a separate item of business, following a report by the Navajo Agricultural Products Industry’s (NAPI) Board of Directors on their Fiscal Year 2024 audit, the Resources and Development Committee was presented with a \$1 million dividend check for the Navajo Nation.

The \$1 million payment, drawn from NAPI’s operating account, serves as a partial repayment of the Capital Contribution from the Navajo Nation.

“We appreciate everything you do as employees of NAPI,” said RDC Chair Brenda Jesus. “It is because of your hard work and dedication that NAPI is able to generate revenues, making this dividend return to the Navajo Nation possible.”

With this latest payment, NAPI has now contributed a total of \$7.5 million in dividend payments to the Navajo Nation.

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