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To the Subcommittee on Indian and Alaska Native Affairs

Committee on Resources – U.S. House of Representatives

Legislative Hearing on H.R. 2362

“The Indian Tribal Trade and Investment Demonstration Project Act of 2011”

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Introduction

Mr. Chairman and Members of the Subcommittee:

I would like to thank Chairman Young and Ranking Member Boren for the privilege of testifying before the Indian and Alaska Native Affairs Subcommittee today, and more importantly, for taking up H.R. 2362, the Indian Tribal Trade and Development Act. This innovative legislation holds tremendous potential to reform the archaic leasing system that has hampered economic development on Tribal lands.

The leasing system that’s in place today requires multiple levels of review for every lease application on Tribal lands. At the end of the review process, each submission must then be approved by the Secretary of Interior. Even simple leases, therefore, can take up to six years to receive approval, whereas a similar process takes as little as six days on private land.

H.R. 2362 aims to create a demonstration program for up to 6 tribes to develop their own leasing guidelines for economic transactions with Turkish companies. This legislation aims to expand reforms enjoyed by the Navajo Nation to a number of tribes during a yearlong demonstration period while capitalizing on the unique and genuine interest Turkish Americans and Turkish companies have shown in working with Indian Tribes, spurred by TCA’s efforts to build bridges between Turkey and Indian Country.

Background on the Turkish Coalition of America

I have served as president of the Turkish Coalition of America (TCA) since its founding in February 2007. TCA is a Washington, DC-based nonprofit organization that aims to foster a better understanding of U.S.-Turkey relations and Turkish American issues through public education.

Since its founding, TCA has established outreach to other minority communities in the United States as part of its core mission of increasing person-to-person ties between the U.S. and Turkey. To that end, TCA established a scholarship program in 2008 to provide funding for up to 100 scholarships per calendar year for Native American, African American and Hispanic American undergraduate and graduate students for study abroad in Turkey. TCA has so far awarded 177 scholarships under the auspices of this program.

TCA has sponsored several trips to promote its scholarship programs and to further educational exchanges between the United States and Turkey. In January 2009, TCA brought 22 educators from Tribal Colleges and Universities, Hispanic-Serving Institutions as well as Historically Black Colleges and Universities on an 8-day trip to Turkey. In June 2009, TCA brought 6 professors from Turkish universities on an 8-day trip to visit Minority-Serving Institutions, including Tribal Colleges and Universities, across the United States. The trip included a visit to the Pine Ridge Indian Reservation.

TCA's initial trips helped spur two leading Turkish universities to offer their own scholarship programs for American students. Bahcesehir University, a private social-sciences focused institution in Istanbul, offers 8 tuition scholarships per semester to Native American, African American and Hispanic American students, whereas Istanbul Technical University (ITU), Turkey's oldest university and a leader in engineering education in Europe, offers 10 comprehensive scholarships per semester – including tuition, lodging and a monthly stipend – exclusively to Native American students. Another Istanbul-based private university, Ozyegin, has instituted a 4-week summer program focusing on language, history and literature to attract Native American students to Turkey who cannot commit to a semester-long program.

As a result of TCA's and Turkish universities' efforts, the number of scholarship applicants among African American and Hispanic American students soared. In November 2009, TCA organized another trip, this time focusing solely on Native American educators to increase participation rates among their students. The 3-week Native American Lecture Tour brought 5 Native American educators to 12 colleges in Turkey.

The lecture tour also coincided with a conference on Native American cultures and literature in Turkey, organized by Hacettepe University in Ankara. Held on November 16-17, 'Native American Voices: Languages of Survival' drew hundreds of students and professors to presentations made by Hacettepe's own Native American studies faculty and TCA's guests.

During a follow-up trip to Arizona in January 2010, I had the privilege of visiting the Hopi Tribe and the Navajo Nation in the great state of Arizona. The conditions on those reservations reminded me of the unrealized economic potential of Anatolian villages and other remote parts of Turkey I had witnessed while serving as a commercial officer in Istanbul in the 1980s. This trip confirmed the wisdom in TCA's approach. Having witnessed how Turkey managed to expand its economy to bring benefits to all corners of the country and became the 16th largest economy in the world, I thought TCA could potentially facilitate trade and economic relations between Turkey and Indian Country to help spur development in pockets of America where it unfortunately lags.

When I had the opportunity to discuss this potential partnership with our Native American friends, as well as then Turkish State Minister for Trade Mr. Zafer Caglayan, our project was received enthusiastically. In fact, Minister Caglayan agreed to meet with Native American representatives during his trips to Washington, DC, Los Angeles and Seattle. Moreover, he offered to meet with members of the first ever Native American Business Cooperation delegation to Turkey. Organized and sponsored by TCA, the Business Cooperation trip brought 20 Tribal leaders and representatives from 17 Tribes in 11 states to Turkey in November 2010 on the inaugural Turkish Airlines direct flight from Washington, DC to Istanbul, Turkey. Participants not only got a chance to meet extensively with Minister Caglayan, but were also hosted by the Minister of Foreign Affairs, Dr. Ahmet Davutoglu. While in Turkey, they also participated in and presented at 'Native American Voices: Tribal Echoes' – Hacettepe University's 2nd conference on Native American cultures and literature.

The growing ties between Turkey and the Tribes paved the way to Turkish government's participation at 25th Annual Reservation Economic Summit (RES 2011) organized in March 2011 by the National Center for American Indian Enterprise Development (NCAIED). The government of Turkey became the first



foreign nation to ever send an official delegation to the RES - the premier Native American economic and business development conference– which solidified their interest in doing business with Indian Country.



In May, I was invited to speak at the Information Management Network (IMN)'s 12th annual conference on Native American Finance in Scottsdale, AZ. On May 16th, I gave a special presentation on 'Opportunities to Establish Future Collaborations' and participated in a panel discussion on 'Global Opportunities' to highlight Turkey as a viable partner for Tribes looking to do business beyond the U.S. borders.



Since May, TCA has championed a number of other initiatives to further ties between Turkey and Indian Country. We recently facilitated a workshop organized and sponsored by the Istanbul Technical University (ITU) on infrastructure development. Held in Istanbul on October 18-26, the workshop enabled 5 Native American representatives to meet with ITU's leading engineering departments to be briefed on latest technologies and funding opportunities to foster infrastructure development. Workshop participants also got a chance to enjoy a private screening of *On the Trail of Sitting Bull* – a film about the history and living traditions of the Sioux by the Turkish documentary filmmaker Ms. Ece Soydam. Ms. Soydam, who was present at the screening to answer questions, is the only foreign director whose work is considered for an award at the 36th Annual American Indian Film Festival.



ITU's guests also attended the opening of a special exhibit, 'Native Americans: Memory of an Ottoman Connection,' featuring a selection of photographs presented by the Smithsonian Institute to Sultan Abdulhamid II in 1880s. The exhibition was co-organized by TCA and held at the Center for Islamic History, Art and Culture (IRCICA) in Istanbul. TCA is currently in dialogue with the Institute of American Indian Arts (IAIA) in Santa Fe, NM to organize an exhibit in Istanbul featuring modern American Indian art.



TCA's efforts to build bridges to Indian Country has inspired other Turkish Americans to follow suit. A dynamic Turkish American group in New York has been organizing conferences to highlight cultural ties between the two groups and the Turkish American Chambers of Commerce and Industry (TACCI) – also based in New York – is ready, willing and able to facilitate trade between Turkish and Native American businesses.

Why Turkey: Efforts to Cultivate Educational, Political and Economic Ties to Indian Country

Turkey is rapidly becoming an economic powerhouse. Its GDP growth rate of 9 percent during the first half of 2011 exceeded that of even China. H.R. 2362, therefore, can boost the economies of participating Indian Tribes by attracting investments from one of the fastest growing and most dynamic countries in the world.

Turkey's growing economy has come with an eagerness to invest beyond its borders. In 2008, for example, Turkey's foreign direct investment (FDI) surpassed 2.5 billion dollars. By the end of 2010, Turkey's investments from 2008 to 2010 had totaled 21.6 billion dollars.

Turkey's outward investments have traditionally been in construction, mining, finance, manufacturing and technology/communications sectors, all of which are labor intensive with tremendous potential to create new jobs on Indian lands. In fact, Turkey has been the largest provider of employment opportunities in Russia, Turkmenistan, Egypt and Kazakhstan. Turkey's exports to Egypt alone amounted to 2 billion dollars in 2010, creating over 40,000 jobs.

Turkey's construction sector is worth a closer look. Second largest in the world, Turkish international contracting services have undertaken more than 6,000 projects in 91

countries with project values exceeding 200 billion dollars. Working in Russia, Libya, Turkmenistan, Kazakhstan, Iraq and Afghanistan, Turkish firms have crucial experience in some of the most challenging locations around the world.

Turkey's aggressive FDI portfolio has paved the way to greater trade volumes with recipient countries. Consequently, countries that have received large Turkish investments have also become Turkey's leading foreign trade partners.

Turkey's interest in investing in Indian Country comes at a very opportune time as more Tribes are looking for opportunities beyond U.S. borders. TCA's outreach to date, furthermore, has helped build a common understanding and mutual interest between Native Americans and Turks. The educational and cultural ties between Indian Country and Turkey can therefore quickly pave the way to economic relations that can help not only bring U.S. and Turkey closer together, but help Tribes develop economically without having to rely on U.S. Federal funds.

TCA's Brief Views of H.R.2362

H.R. 2362 holds great potential to capitalize on the interest Turkey has increasingly shown in working with the Tribal Nations. Furthermore, by allowing Tribes to exercise greater autonomy over the lands held in trust by the U.S. government, H.R. 2362 can spur economic development and create jobs in some of the nation's poorest areas without having to rely on funds from the financially strapped Federal government. H.R. 2362 is not only a goodwill gesture that acknowledges the monetary and time commitment various Turkish entities have so far made to Indian Country, but it is also a great opportunity to bring the United States and Turkey closer together. Turkey, as you know, is the second largest force in NATO and a long-standing ally.

What TCA Expects Post-Enactment

Once H.R. 2362 becomes law, we firmly believe that Turkish companies, long eager to break into the U.S. market, will seek to establish manufacturing and assembly operations on Tribal lands. This remains our biggest motivation as such an approach would help reduce high unemployment rates on reservations while bringing U.S. and Turkey closer together. Consequently, such an arrangement can also turn certain designated areas within Tribal lands into distribution centers for broader trade in the Western Hemisphere.

Conclusion

By reducing the bureaucratic burden on the participating Tribes, H.R. 2362 can turn Indian lands into attractive investment destinations for Turkish investors. Traditionally, Turkish firms have shied away from investing in locations with overwhelming bureaucracies, lack of legal assurances, limited labor force, as well as political and economic instability. H.R. 2362 therefore plays a pivotal role in reducing an important barrier to receiving Turkish capital.

In sum, a solid foundation has already been built to nurture mutual understanding between Turkey and Indian Country. Now, H.R. 2362 remains a crucial step in improving conditions and eliminating physical barriers to welcoming Turkish investments to Indian Country.

Moreover, this innovative and historic bill will bring the U.S.-Turkey relationship to an entirely new level by accentuating joint commercial interests.

Expanding trade between the United States and Turkey will not only complement the long-standing strategic partnership between the United States and Turkey, but will also enable Turkey's thriving economy to boost U.S. markets amid the ongoing global financial crisis. With this legislation, furthermore, Turkey can help bolster economic growth on otherwise underutilized Indian lands and reduce the participating Tribes' dependence on the U.S. Federal government for funding.

In summary, I would like to re-emphasize the following points:

- U.S. and Turkey have been long-standing allies that have not fully capitalized on their joint economic interests.
- With its economy booming, Turkey can help boost stagnant economies on reservations across Indian Country, thereby reducing Tribal dependence on Federal government funding.
- Turkish investments have created tremendous job and growth opportunities elsewhere and H.R. 2362 can help attract some of the Turkish direct investment into Indian Country.
- Due in part to TCA's efforts to date, a solid understanding and interest have already been built between Turkish firms and Tribes. H.R. 2362 aims to capitalize on the existing mutual enthusiasm by reducing barriers to investing in Tribes.

Chairman Young and Members of the subcommittee, I thank you again for the opportunity to testify before you on this important issue today.