

EXHIBIT 3
DATE 3-15-05
HB 745

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**MONTANA LEGISLATURE
TESTIMONY OF CEDRIC BLACK EAGLE, VICE-CHAIRMAN
CROW TRIBE OF INDIANS
before the
HOUSE APPROPRIATIONS COMMITTEE
MARCH 15, 2005
House Bill No. 745**

Good Morning, Honorable Committee Members. I am Cedric Black Eagle, Vice-Chairman of the Crow Tribe of Indians and I am honored to have this opportunity to testify as a proponent of House Bill No. 745, a bill for an Act entitled: "An Act Appropriating Money to Various State Agencies and for the Fiscal Year Ending June 30, 2005; and Providing an Immediate Effective Date."

Specifically, I am here to provide testimony in regards to the appropriation of \$9,000,000 to the Department of Natural Resources and Conservation for the Crow Tribe Settlement.

The Crow Tribe of Indians and the State of Montana began negotiating to settle the Crow Tribes water claims in November of 1981. In 1999, the Crow Tribe and State of Montana Reserved Water Rights Compact Commission agreed to a compact that provides an allocation of water to the Crow Tribe and provides protection for certain water rights recognized under state law that was favorably adopted by the Montana Legislature in a Special Session in June, 1999. As consideration for the Crow Tribe's agreement to protect certain water rights recognized under state law in Montana and to release certain legal claims asserted against the state, the state of Montana agreed to make payment in a total amount of \$15,000,000 into an escrow account for release to the Crow Tribe upon ratification of the compact by the United States Congress and satisfaction of other requirements as specifically listed in the compact.

Presently, the escrow account contains \$6,000,000. The Crow Tribe strongly supports the proposal to fully capitalize the escrow account with the proposed \$9,000,000 appropriation. The Crow Tribe views full capitalization of the escrow account in the settlement amount of \$15,000,000 as a demonstration of the State of Montana's continued commitment to the Crow Tribe/State of Montana Water Compact. With full capitalization, the Crow Tribe has greater incentive to proceed with efforts to obtain ratification of the compact by the United States Congress to finally resolve water rights on the Crow Indian Reservation. A final resolution of water rights will benefit all water users on the Crow Indian Reservation including the Tribe, the State and existing water users. Additionally, ratification of the compact will address water usage in times of shortage as well as resolve the pending water permits of current users.

The Crow Tribe remains firmly committed to the compact and the provisions reached after careful and meaningful negotiation by the representatives of the Crow Tribe and the Montana Reserved Water Rights Compact Commission. The Crow Tribe had initially hoped the compact would have been ratified by Congress within the few years following the adoption of the Compact by the Montana Legislature. However, the Crow Tribe has undergone changes in

administration and key negotiating team members that resulted in delay. Additionally, the Crow Tribe was focused on resolving numerous litigation issues with the United States that may have impacted negotiations seeking Congressional ratification of the compact. In the last few months, numerous issues between the Crow Tribe and the United States have been resolved. Thus, numerous uncertainties that may have clouded negotiations with the United States surrounding ratification of the compact have been alleviated.

Delays in aggressively pursuing Congressional ratification of the compact were not due to dissatisfaction with the compact provisions negotiated with the State of Montana. The Crow Tribe, with the recent election of Mr. Carl Venne as Chairman for a period of four years, stabilized Crow Tribal government. The Venne Administration has formally commenced negotiations with the United States, in accordance with federal law, regarding Indian reserved water rights on the Crow Indian Reservation. Thus, the Tribe is hopeful that ratification of the Crow Tribe/State of Montana Compact will occur within the next two years.

In conclusion, I again thank you for this opportunity to provide testimony and urge your vote in favor House Bill No. 745 for the benefit of the Crow Tribe and all water users on the Crow Indian Reservation.