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H.R. 2445, TO RECOGNIZE ALEXANDER CREEK AS A NATIVE VILLAGE; H.R. 3350, ALASKA NATIVE VETERANS LAND ALLOTMENT EQUITY ACT; H.R. 3351, NATIVE AMERICAN CHALLENGE DEMONSTRATION PROJECT ACT OF 2007; AND H.R. 3560, SOUTHEAST ALASKA NATIVE LAND ENTITLEMENT FINALIZATION ACT.

LEGISLATIVE HEARING

BEFORE THE

COMMITTEE ON NATURAL RESOURCES
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

Wednesday, November 14, 2007

Serial No. 110-55

Printed for the use of the Committee on Natural Resources

Available via the World Wide Web: http://www.gpoaccess.gov/congress/index.html
or
Committee address: http://resourcescommittee.house.gov

U.S. GOVERNMENT PRINTING OFFICE

38-971 PDF WASHINGTON : 2008

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LEGISLATIVE HEARING ON H.R. 2445, TO AMEND THE ALASKA NATIVE CLAIMS SETTLEMENT ACT TO RECOGNIZE ALEXANDER CREEK AS A NATIVE VILLAGE, AND FOR OTHER PURPOSES; H.R. 3350, TO AMEND THE ALASKA NATIVE CLAIMS SETTLEMENT ACT TO PROVIDE FOR EQUITABLE ALLOTMENT OF LANDS TO ALASKA NATIVE VETERANS. "ALASKA NATIVE VETERANS LAND ALLOTMENT EQUITY ACT"; H.R. 3351, TO ADAPT THE LESSONS OF FOREIGN AID TO UNDERDEVELOPED ECONOMIES TO THE PROVISION OF FEDERAL ECONOMIC DEVELOPMENT ASSISTANCE TO SIMILARLY SITUATED REMOTE NATIVE AMERICAN COMMUNITIES, AND FOR OTHER PURPOSES. "NATIVE AMERICAN CHALLENGE DEMONSTRATION PROJECT ACT OF 2007"; AND H.R. 3560, TO PROVIDE FOR THE COMPLETION OF CERTAIN LAND SELECTIONS UNDER THE ALASKA NATIVE CLAIMS SETTLEMENT ACT, AND FOR OTHER PURPOSES. "SOUTHEAST ALASKA NATIVE LAND ENTITLEMENT FINALIZATION ACT."

Wednesday, November 14, 2007
U.S. House of Representatives
Committee on Natural Resources
Washington, D.C.

The Committee met, pursuant to call, at 11:05 a.m. in Room 1324, Longworth House Office Building, Hon. Nick J. Rahall, II [Chairman of the Committee] presiding.

Present: Representatives Rahall, Young and Faleomavaega.

STATEMENT OF THE HONORABLE NICK J. RAHALL, II, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WEST VIRGINIA

The CHAIRMAN. The Committee on Natural Resources will come to order.

Alaska Day is a legal holiday in the State of Alaska observed on October 18. Today is no holiday the last time I checked, but it is Alaska Bill Day here in the Committee on Natural Resources.

We have before us four bills which have been sponsored by the gentleman from Alaska, the Ranking Member, Don Young: H.R. 2445 to amend the Alaska Native Claims Settlement Act to recognize Alexander Creek as a Native village; H.R. 3350, the Alaska Native Veterans Land Allotment Equity Act; H.R. 3351, the Native American Challenge Demonstration Project Act; and H.R. 3560, the Southeast Alaska Land Entitlement Finalization Act.

At the outset I would like to thank all of the witnesses, especially those who have traveled so far from Alaska to be with us today.

I am sure these are all good bills, at least in the eyes of the gentlemen to my right, and I will now recognize him for any opening comments he wishes to make.

STATEMENT OF THE HONORABLE DON YOUNG, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ALASKA

Mr. YOUNG. I thank the Chairman, and I do thank you for holding these hearings. I hope that when these hearings are over that you will see that they are good bills too. That is what witnesses are all about.

The CHAIRMAN. That is right.

Mr. YOUNG. Again, thank you, Mr. Chairman, for hearing these four bills. You have covered H.R. 2445, the Alexander Creek recognition bill; H.R. 3350, the Alaska Native Claims Settlement Act for the veterans that fought in the Vietnam War and were not allowed to have the chance to choose their allotment before it was closed off; the Challenge bill, H.R. 3351—they want to develop that for the Alaska Natives and other natives around the United States; and the Southeast Regional Corporation and their section of lands. It is long overdue. The Alaska Native Lands Claims Act passed in 1971, and we are still trying to select and make sure they get their lands. I think this is a fair and equitable solution to a problem that should be solved.

I look forward to the witnesses who are before us today. I will say, Mr. Chairman, I have had a chance to read some of the testimony from some of the agencies, and I am not happy. I could go back 30 years ago, and I could duplicate the exact same testimony.

I don't care what Administration it is. It seems like agencies have their heads stuck somewhere where I don't really want to talk about it right now, but I would suggest respectfully it does not make me happy.

[The prepared statement of Mr. Young follows:]

Statement of The Honorable Don Young, Ranking Republican, Committee on Natural Resources

Mr. Chairman, I want to thank you for holding this hearing today on four of my Alaska Native bills.

H.R. 2445, a bill to amend the Alaska Native Claims Settlement Act to recognize the village of Alexander Creek located in Alaska as an eligible Native Village pursuant to that Act.

H.R. 3350, a bill that amends the Alaska Native Claims Settlement Act to provide an equitable treatment of Alaska Native Vietnam Veterans in their application for land under the Native Allotment Act. Approximately, 2,800 Alaska Natives served in the military during the Vietnam conflict and therefore did not have an opportunity to apply for their Native allotment. In 1998, P.L. 105-276 amended ANCSA to provide Alaska Native Vietnam veterans an opportunity to obtain an allotment of up to 160 acres of land under the Native Allotment Act.

H.R. 3351, a bill modeled after the Millennium Challenge Act of 2003, which developed a model for reducing poverty and promoting sustainable economic growth and uses the same principles to enhance the long-term job creation and revenue generation potential of Native economies by creating investment-favorable climates and increasing Native productivity. It will also administer Federal economic development assistance in a new way to promote economic growth, eliminate poverty, and strengthen good governance, entrepreneurship, and investment in Native communities.

H.R. 3560, a bill which will address the inequitable treatment of the Native Regional Corporation for Southeast Alaska—Sealaska Corporation—"by allowing it to select its remaining land entitlement under Section 14 of the Alaska Native Claims Settlement Act from designated federal land in Southeast Alaska. Southeast Alaska Native Corporation has waited 36 years to receive conveyance of their full land entitlement, and this bill will expedite the process.

Again, thank you Mr. Chairman for holding this hearing and I look forward to hearing from my Alaska Native witnesses on these important bills.

The CHAIRMAN. I wish we could go back and duplicate you.

Mr. YOUNG. If you would like to do that, you couldn't put up with 30 years of me. I will tell you.

The CHAIRMAN. You are through? OK. Thank you, Mr. Young.

Our first witness today is Mr. Michael Nedd from the Bureau of Land Management at the Department of Interior. As with all witnesses today, we do have your prepared statements, and they will be inserted in the record as if actually read. You are encouraged to summarize or proceed in whatever manner you wish.

Mr. Nedd?

STATEMENT OF MICHAEL NEDD, ASSISTANT DIRECTOR FOR MINERALS, REALTY AND RESOURCE PROTECTION, BUREAU OF LAND MANAGEMENT, U.S. DEPARTMENT OF THE INTERIOR

Mr. NEDD. Good morning, Mr. Chairman.

The CHAIRMAN. In consideration of the fact that your testimony covers all four bills that we are considering today, hopefully you will feel free to extend your oral remarks up to 10 minutes.

Mr. NEDD. Thank you, Mr. Chairman.

Good morning, Mr. Chairman and Members of the Committee. Thank you for inviting me to provide the views of the Department of the Interior on H.R. 2445, the Alexander Creek Village Recognition Act; H.R. 3350, the Alaska Native Veterans Land Allotment Equity Act; and H.R. 3560, the Southeast Alaska Native Land Entitlement Finalization Act.

You have also asked the Department to provide its view on H.R. 3351, the Native American Challenge Demonstration Project

Act of 2007. As this legislation would establish a new program within the Department of Commerce, the Department defers to Commerce as to its position on the legislation and administration of the program. At your request, however, we are providing a brief overview on economic development in Indian Country.

With me today is Mr. Bob Middleton, Director of the Office of Indian Energy and Economic Development, Office of the Assistant Secretary, Indian Affairs, who testified before the Committee at its September 19, 2007, hearing on diversifying Native economics. Dr. Middleton can answer questions on H.R. 3351.

My statement addresses the three bills that would be administered by the Department of Interior.

H.R. 2445, the Alexander Creek Village Recognition Act. We understand the continued desire of Alexander Creek, Inc. to be recognized as a Native village. H.R. 2445 would legislatively designate the Alexander Creek Native group as a Native village under the provision of the Alaska Native Claims Settlement Act, ANCSA.

The redesignation would entitle Alexander Creek to appraise over 61,000 acres of land at the current market value, with the amount of the appraised value to be deposited in a Treasury account that Alexander Creek would use to acquire land in Alaska offered at public sale.

H.R. 2445 would effectively overturn the stipulated agreement that was signed by Alexander Creek in 1979 and codified in ANILCA. In this agreement, Alexander Creek withdrew its application to be recognized as a village, accepted certification as a Native group and agreed that the lands conveyed under the 1979 agreement constituted a full and final settlement of its land entitlement under ANCSA.

That settlement allowed the land entitlement process throughout south central Alaska's Cook Inlet region to proceed. After 27 years, the process is in the late stage of implementation. Changing the status of Alexander Creek from a Native group to a Native village through H.R. 2445 would undermine and disrupt this lengthy and complex land entitlement process and would throw into question the finalization of the land entitlement claim in south central Alaska. We therefore oppose the legislation.

H.R. 3350, the Alaska Native Veteran Land Allotment Equity Act. The Department testified on similar legislation in the 107th Congress that the bill raises a number of serious policy, management and technical concerns and would give rise to new issues of fairness with respect to Alaska Native veterans and other Alaska Natives.

H.R. 3350 would allow any Alaska Native veteran or an heir to a deceased veteran who served during the period from August 5, 1964, through May 7, 1975, to select up to two parcels of land totaling no more than 160 acres.

Alaska Native veteran applicants could choose any vacant Federal land in the State of Alaska located outside of the TransAlaska Pipeline corridor. This includes private lands that have already been patented to Native corporations or to the State of Alaska.

H.R. 3350 goes far beyond the original missed opportunity rationale and appears to create a bonus program that awards land for military service only to certain veterans. By allowing certain

veterans to choose land that was not available to other allotment applicants, H.R. 3350 creates unfairness between Alaska Native veterans and Natives who did not serve in the military.

The Department opposes H.R. 3350 because it authorizes new allotment claims 36 years after repeal of the 1960 Native Allotment Act. H.R. 3350 negates an important compromise reached in the passage of the 1998 Act, throws out years of adjudication under that Act and disrupts settled land use arrangements under ANCSA and ANILCA. This disruption undermines the goal of the Alaska Land Transfer Acceleration Act to finalize land entitlements.

H.R. 3560, the Southeast Alaska Native Land Entitlement Finalization Act. The Department supports the goals of completing ANCSA entitlement as soon as possible so that Alaska Native corporations may have the full economic benefit of their intended land base. This includes the entitlement due to Sealaska.

However, we do not support H.R. 3560. It creates new categories of selection not available to other regional corporations. It authorizes the selection of individual small parcels, as opposed to larger blocks like the current selections, that will likely take longer and be more costly to process than Sealaska's current selections.

Its deadlines could result in compromised title due to insufficient time to identify third party interests and easements. More significantly, however, we note that ANCSA did not allow for selection and conveyance of cultural sites in national park system units in Alaska. H.R. 3560, by contrast, would allow such selection and conveyance for Sealaska.

The legislation identifies sites for selection and conveyance of Sealaska and includes 12 sites located in Glacier Bay National Park and Preserve and one site in Klondike Gold Rush National Historical Park.

As noted above, we support the goals of completing ANCSA entitlements as soon as possible and are working hard to ensure that process comes to successful conclusion. H.R. 3560 has the potential to negatively impact our ability to complete ANCSA entitlement not only in southeast Alaska, but across the entire state.

Mr. Chairman, again thank you for the opportunity to present this testimony. I will be glad to answer any questions that you or other Members of the Committee may have.

[The prepared statement of Mr. Nedd follows:]

Statement of Michael Nedd, Assistant Director, Minerals, Realty and Resource Protection, Bureau of Land Management, U.S. Department of the Interior, on H.R. 2445, Alexander Creek Village Recognition Act; H.R. 3350, Alaska Native Veterans Land Allotment Equity Act; H.R. 3560, Southeast Alaska Native Land Entitlement Finalization Act; and H.R. 3351, Native American Challenge Demonstration Project Act

Mr. Chairman and Members of the Committee, thank you for inviting me to provide the Department of the Interior's (Department's) views on H.R. 2445, the Alexander Creek Village Recognition Act; H.R. 3350, the Alaska Native Veterans Land Allotment Equity Act; and H.R. 3560, the Southeast Alaska Native Land Entitlement Finalization Act. You have also asked the Department to provide its views on H.R. 3351, the Native American Challenge Demonstration Project Act of 2007. As this legislation would establish a new program within the Department of Commerce, the Department defers to Commerce as to its position on the legislation and administration of the program. At your request, however, we are providing a brief overview on economic development in Indian Country. My statement will begin with the three Alaska bills.

H.R.2445, Alexander Creek Village Recognition Act

As discussed in more detail below, we understand the continuing desire of Alexander Creek, Inc., to be recognized as a Native village. However, this legislation would effectively overturn the long-standing settlement, codified in statute, which resolved the eligibility of Alexander Creek, and would throw into question the finalization of land entitlement claims in southcentral Alaska. For these reasons, the Department opposes enactment of H.R. 2445.

Background

Congress enacted the Alaska Native Claims Settlement Act (ANCSA) in 1971 to resolve aboriginal land claims in Alaska. Through ANCSA, Native claims in Alaska were extinguished in exchange for 44 million acres of land and $962.5 million in compensation. ANCSA established specific entitlements for allocating this settlement among Native-owned regional corporations, Native villages and Native groups. Native villages (required to have a Native population of 25 or more, as determined by a 1970 census) received greater entitlements than Native groups. Native villages were entitled to a minimum of 69,120 acres from the public domain. In contrast, communities determined to have fewer than 25 Natives could be certified as Native groups and were entitled to a maximum of 7,680 acres.

ANCSA listed nearly 200 Native villages and directed the Secretary of the Interior to determine if additional Native communities qualified as villages. Alexander Creek was not listed as a village in ANCSA. It applied for eligibility as an unlisted village but its application was contested by the State of Alaska, the Matanuska-Susitna Borough and other parties.

Thus began a long period of litigation over Alexander Creek's eligibility as a Native village that was ultimately resolved in a Stipulated Agreement in 1979 and codified in Section 1432 of the Alaska National Interest Lands Conservation Act (ANILCA). In signing this Stipulated Agreement, Alexander Creek withdrew its application to be recognized as a village, accepted certification as a Native group, and agreed that the lands conveyed under the 1979 Agreement "constitute a full and final settlement" of its land entitlement under ANCSA. The Department has fulfilled its responsibilities to Alexander Creek under the agreement.

H.R. 2445

H.R. 2445 would legislatively designate the Alexander Creek Native group as a Native village under the provisions of the Alaska Native Claims Settlement Act (ANCSA). The bill would entitle Alexander Creek to the appraised current fair market value of approximately 61,440 acres it had provisionally selected in the early 1970s, pending the outcome of its original application to be recognized as a Native village. The appraised value of these lands would determine the amount of a Treasury account to be established for Alexander Creek, which would use the account to acquire lands in Alaska offered at public sale. The bill also directs the Secretary to seek a land exchange with the State of Alaska or the Matanuska-Susitna Borough to acquire surface estate lands for Alexander Creek near its home area. The bill provides a mechanism for reducing the value of the Alexander Creek account for lands acquired for Alexander Creek through an exchange.

H.R. 2445 would overturn the settlement agreement accepted by Alexander Creek in 1979 and codified in ANILCA. The resolution of Alexander Creek's status as a Native group in ANILCA allowed the land entitlement process throughout southcentral Alaska's Cook Inlet region to proceed. The process is now in a late stage of implementation. Changing the status of Alexander Creek could undercut the basis on which village and regional entitlements are addressed, fundamentally disrupting this lengthy and complex land entitlement process. H.R. 2445 would establish a troubling precedent. We therefore oppose the legislation.

H.R. 3350, Alaska Native Veterans Land Allotment Equity Act

H.R. 3350 raises a number of serious policy, management, and technical concerns, and it would give rise to new issues of fairness with respect to other Alaska Natives and other Vietnam veterans. For these reasons, and because H.R. 3350 would authorize a disruptive expansion of the Native Allotment program in Alaska, the Department opposes this legislation.

Background

The Native Allotment Act of 1906, as amended, gave the Secretary of the Interior authority to convey up to 160 acres of non-mineral land to individual Alaska Natives. Altogether about 10,000 Alaska Natives filed allotment applications for more than 16,000 parcels. Over 80 percent of the applications were filed with the BLM following an extensive outreach and assistance program carried out from 1969 through 1971.

The 1906 Allotment Act was repealed with the enactment of the Alaska Native Claims Settlement Act (ANCSA) in 1971, but with a savings provision for individual allotment claims then pending before the Department. Certain Alaska Native veterans of the Vietnam War may have missed an opportunity to apply for an allotment because they were serving in the armed forces immediately prior to the 1971 repeal of the Allotment Act and enactment of ANCSA. In 1998, the Alaska Native Vietnam Veterans Allotment Act was enacted to redress any unfairness that may have resulted.

The Department supports the principle of equitable treatment of Alaska Native Vietnam veterans, and the BLM has made every effort at fairness in implementing the 1998 Act. The deadline for Alaska Native Vietnam veterans to file an application for an allotment was January 31, 2002. The BLM received applications from 740 individuals claiming a total of 1,010 parcels by that deadline, and has taken action on these applications. Of the original 1,010 parcels claimed, 708 (about 70 percent) have been rejected either because the applicant was not eligible for an allotment under the terms of the 1998 Act or the land claimed was not available for conveyance under the terms of the Act. Nine (9) certificates of allotment have been issued, and 90 parcels have been approved for conveyance.

The processing of the remaining 203 parcels requires more information from the applicant before BLM will know whether the applicant has met the requirements of the 1998 Act. In many cases, despite repeated requests from the BLM, supporting documentation is still needed from the applicants. In cases where additional information could result in approval of the allotment, BLM makes every effort to obtain that information before taking adverse action on the claim.

H.R. 3350

H.R. 3350 would allow any Alaska Native Vietnam-era (August 5, 1964, through May 7, 1975) veteran who has not yet received a Native allotment to select up to 2 parcels of land totaling no more than 160 acres. If the veteran is deceased or dies before filing an application, an heir may apply for an allotment on the veteran's behalf.

The legislation would repeal the BLM's regulations that implemented the 1998 Act and require the Secretary to publish new regulations within one year. Native veterans would have three years after the Secretary issues final regulations to file their applications. Native veteran applicants could choose any vacant Federal land in the State of Alaska located outside of the TransAlaska Pipeline corridor.

The Department testified in great detail on nearly identical legislation (H.R. 3148) in the 107th Congress. As noted above, while H.R. 3350 aims for fairness, it raises a number of serious policy, management, and technical concerns, and it would give rise to new issues of fairness with respect to other Alaska Natives and other Vietnam veterans. H.R. 3350 goes far beyond the original "missed opportunity" rationale and has the appearance of creating a bonus program that awards land for military service only to certain veterans. Provisions of the legislation appear to create inequities between Alaska Native Vietnam veterans and Natives who did not serve in the military by allowing veterans to choose land that was not available to other allotment applicants. The deadlines for approval and conveyances give applicants under H.R. 3350 preferential treatment not afforded to other Alaska Natives. The bill authorizes compensatory acreage for Native corporations that voluntarily give up land for Native veteran allotments but not for the State of Alaska.

We oppose H.R. 3350 because it authorizes new allotment claims 36 years after repeal of the 1906 Native Allotment Act. The legislation negates important compromises reached in the passage of the 1998 Act, throws out years of adjudication under that Act, and disrupts settled land use arrangements under ANCSA and ANILCA. It undermines the goals of the Alaska Land Transfer Acceleration Act to finalize land entitlements under ANCSA, the Statehood Act, and existing 1906 allotment applications, and even unconveyed Native veteran claims. Finally, it would create additional trust assets and also raises the possibility of Constitutional challenge as to whether it may be an impermissible preference. Finally, the legislation undermines the processing of pending Alaska Native Veteran applications that are nearing issuance of certificate of allotments

H.R. 3560, Southeast Alaska Native Land Entitlement Finalization Act

The Department supports the goal of completing ANCSA entitlements as soon as possible so that Alaska Native corporations may have the full economic benefit of their intended land base. This includes the entitlements due to Sealaska Corporation (Sealaska). However, we do not support H.R. 3560 for the reasons detailed below,, including the undesirable precedents it may establish as well as its potential

impact on our ability to complete ANCSA entitlements, not only in Southeast Alaska but across the entire state.

Background

ANCSA established a framework under which Alaska Natives could form private corporations to select and receive title to 44 million acres of public land in Alaska and receive payment of $962.5 million in settlement of their aboriginal claim to land in the State. Sealaska is one of twelve regional corporations formed under ANCSA to receive land benefits. Sealaska has not received title to all of the acres currently allocated to it under Sec. 14(h)(8) of ANCSA and the final allocation of acreage to Sealaska under Sec. 14(h)(8) of ANCSA has not yet been determined.

H.R. 3560

As noted above, we support finalizing entitlements under ANCSA, but H.R. 3560 does not provide a path to finalization of Sealaska's ANCSA entitlement, and it creates new categories of selections not available to other regional corporations. Moreover, because the bill would authorize the selection of a number of individual small parcels, as opposed to larger blocks like the current selections, they will likely take longer and be more costly to process than Sealaska's current selections.

We are also concerned about the deadlines for conveyance included in H.R. 3560. While BLM-Alaska has worked hard to meet immediate specific economic needs of Native corporations when those specific needs are identified, we are concerned that the deadlines do not provide sufficient time to identify third party interests and easements and to complete the other necessary adjudicatory and survey tasks needed to assure that the quality of title issued to Sealaska is not compromised. We believe that any perceived advantage to Sealaska that may come from such deadlines will be outweighed by the hard feelings such preferential treatment could provoke in the Native community outside of Southeast Alaska.

More significantly, however, we note that ANCSA did not allow for selection and conveyance of cultural sites within National Park System (NPS) units in Alaska. This legislation would allow such selections and conveyances. Section 3(b)(2)(A)(i) of H.R. 3560, which identifies sites for selection and conveyance to Sealaska, includes 12 sites located in Glacier Bay National Park and Preserve and one site in Klondike Gold Rush National Historical Park. The legislation also provides for later identification of additional sites with broad cultural associations that could be selected and conveyed from these units, as well as from Sitka National Historical Park. Moreover, the bill provides for the economic development of the conveyed lands and removes the usual protections afforded cultural sites.

This legislation would significantly impact Glacier Bay National Park and Preserve and Klondike Gold Rush National Historical Park by removing valuable cultural and natural sites from NPS ownership and management, transferring them to private ownership, removing national historic protection provisions, and opening them to economic development. H.R. 3560 could also result in similar impacts to Sitka National Historical Park. For these reasons, we strongly oppose these provisions of H.R. 3560.

As noted above, we support the goal of completing ANCSA entitlements as soon as possible and are working hard to ensure that process comes to a successful conclusion.

H.R. 3351, The Native American Challenge Demonstration Project Act of 2007

As noted above, H.R. 3351 would establish a new program within the Department of Commerce. For this reason, we defer to Commerce as to a position on H.R. 3351 and administration of such a program. At your request, however, we are including an overview on economic development issues in tribal communities. This information updates and supplements testimony provided to the Committee by Dr. Robert Middleton, Director of the Office of Indian Energy and Economic Development, at a September 19, 2007, hearing on Diversifying Native Economies.

The Office of Indian Energy and Economic Development (IEED) works to promote economic development, increase business knowledge in tribal communities, increase jobs and businesses, broaden access to capital investment, and develop Indian energy and mineral resources. To reach performance milestones in Fiscal Year 2008, IEED is guided by recommendations from tribal leaders, who have asked that we concentrate, among other things, on—

- developing a better legal infrastructure in Indian Country;
- providing more funding for community and economic planning;
- continuing to provide training for business and marketplace skills;
- funding financial literacy training at the earliest educational stages; and
- offering strategic advice on setting up and operating businesses.

As noted at the September 19th hearing, last May IEED partnered with NCAI and other federal agencies and organizations to orchestrate the National Native American Economic Policy Summit in Phoenix. Since then, IEED has joined with the National Congress of American Indians (NCAI) to publish the recommendations offered by the Summit's tribal and federal representatives to improve Native American economies. We take these recommendations seriously because we believe that no real progress can be made in building strong Indian economies until tribes themselves identify and undertake to surmount obstacles to economic growth in their communities. Actions that we are taking to address issues raised in these recommendations are discussed below.

Creating a Strong Legal Infrastructure

Summit participants made it clear that economic development in Indian Country is not possible without the rule of law embodied in commercial codes that secure collateral and allow the free flow of credit between persons inside and outside the reservation. As a result, IEED has funded preparation and adoption of tribal uniform commercial code sections dealing with secured transactions and development of a curriculum to train tribal uniform commercial code administrators. Later this year, we will be co-sponsoring with the Tulalip Tribes of Washington a conference on how tribes can adopt codes to protect the economic value of their cultural patrimony, including intellectual property such as flora, fauna, and oral traditions.

Planning for Progress

We are also working to advance thinking on comprehensive reservation planning, which allows tribes to make a realistic inventory of their energy, transportation, water, housing, telecommunications and other core infrastructure needs and determine the means for satisfying those needs while establishing economic autonomy and creating jobs. On October 5-6, 2007 in Tempe, Arizona, we hosted with NCAI, the University of New Mexico, and Arizona State University a tribal community comprehensive planning conference. A white paper from the conference will be available shortly.

IEED has also funded long-term, strategic economic development planning, and has worked to link tribes with advice from some of the most distinguished business schools in the United States. Last year, the Native American Business Development Institute (NABDI) arranged feasibility studies for tribes on potential economic development opportunities ranging from a business park, a security business, a medical supply enterprise, and an upland bird hunting operation, to new uses for a dormant tribal wellness/recreation center, and a greenhouse heated by woody biomass. We expect NABDI to undertake similar studies this fiscal year.

We are also now collecting data for the Labor Force Report, which was previously compiled by the BIA. The report, with an expected release of November 2009, will provide valuable information on employment rates, workforce participation, and economic development on reservations.

Training for Success

We have sponsored the Tuck School of Business at Dartmouth University to train executives of Indian-owned firms in intensive, one-day and three-day workshops which teach Native American business men and women how to develop and improve business management skills; establish and run a business; maintain accounting records; assess performance; create a high-performing business enterprise; and expand existing operations. Participants learn about implementing company strategy, aligning operations to create customer value, operations strategy, analyzing and refining key business processes, prioritizing process improvements, and effective management techniques.

To penetrate the "digital divide" affecting remote reservations, we have been working with the Native American Chamber of Commerce (NACC), SeniorNet, and IBM to place IBM-donated computer equipment and software and provide high-technology training at various reservation locations, called Achievement Centers. The equipment is being used for employment training, job searches, internet commerce, home-based businesses and many other purposes. The first Achievement Center was dedicated at Blackfeet Nation in September 2006, with others established for the Leech Lake Band of Ojibwe Indians at Cass Lake, Minnesota and the Tigua Tribe at the Ysleta del Sur Pueblo in Socorro, Texas. An Achievement Center for the Houlton Band of Maliseet Indians in Houlton, Maine, should open this spring.

IEED also sponsors workshops to train Native Americans how to form SBA 8(a) businesses and take advantage of federal procurement opportunities, including those made possible by the Buy-Indian Act. Within the Department, IEED has encouraged government charge card purchasers to "buy Indian" and we have set up a data base

of qualified Native American vendors to facilitate purchases from Department procurement officers.

IEED has also planned and funded a one-year Entrepreneurial Education Pilot Project in FY 2008 for students at seven reservation high schools. We have partnered with the Bureau of Indian Education and the National Foundation for Teaching Entrepreneurship, which last month trained teachers at each of the pilot schools.

Providing Strategic Advice

In 2008, IEED will distribute a Tribal Business Structure Handbook to all tribes. Developed in partnership with the Tulalip Tribes, this handbook will serve as a primary reference for entrepreneurs contemplating creation of a business enterprise. It will provide the key factors to be considered when structuring a business or project, and is intended to aid tribes in determining whether business formation should occur under tribal, state, or federal law and which structure will work best to protect tribal assets, preserve tribal sovereignty, minimize tax liability, and maximize the use of incentives available for tribal economic development.

Conclusion

For the reasons stated above, the Department opposes H.R. 2445, The Alexander Creek Village Recognition Act, and H.R. 3350, the Alaska Native Veterans Land Allotment Equity Act, and does not support H.R. 3560, the Southeast Alaska Native Land Entitlement Finalization Act. We defer to the Department of Commerce for its position on H.R. 3351.

Thank you for the opportunity to present this testimony. I will be glad to answer any questions that you or Members of the Committee may have.

The CHAIRMAN. Thank you, Mr. Nedd.

Ms. Simpson?

STATEMENT OF MELISSA SIMPSON, DEPUTY UNDER SECRETARY, NATURAL RESOURCES AND ENVIRONMENT, U.S. DEPARTMENT OF AGRICULTURE

Ms. SIMPSON. Mr. Chairman and Members of the Committee, thank you for the opportunity to talk with you today about a bill that addresses land claims in Alaska.

I am providing testimony on behalf of the Department of Agriculture on H.R. 3560, the Southeast Alaska Native Land Entitlement Finalization Act. We recognize and support the need to finish existing statutory land transfer obligations to Native corporations in Alaska, including Sealaska Corporation, and are committed to that goal.

As part of the settlement enacted in the Alaska Native Claims Settlement Act in 1971, Native corporations were created, and they selected Federal lands for conveyance. Sealaska is the regional Native corporation representing southeast Alaska and has received some of its entitlements under Section 14[h][1] of ANCSA.

However, there are additional acres that remain to be conveyed from the National Forest System lands. We defer to the Department of the Interior to determine the final allocation of acreage to Sealaska, but for the reasons I will outline today we do have some serious concerns with this bill.

Our testimony will focus on how the proposal relates to the management of the public lands of the Tongass National Forest. H.R. 3560 would direct the Secretary of the Interior to convey over 300 separate acres of land within the Tongass to Sealaska.

The Forest Service has been in a process to revise the original land and resource management plan on the Tongass for over 20 years with the goal of establishing economic stability to southeast

Alaska. Our current forest planning effort is drawing to a close in the near future and represents a balanced plan that protects fish and wildlife while providing a stable supply of economic timber to the local industry.

Management of some National Forest System lands is currently encumbered by the ANCSA withdrawals, and finalizing these withdrawals will simplify the future management of these lands.

This information and attached maps provided in the bill are not sufficient to accurately assess potential affects at this time. We have concerns with some of the selections that are proposed by this bill because the selections could remove key areas of land from the Tongass that contribute toward the goals of the land management plan and the scientific basis on which it is premised.

We would be happy to work with the bill's sponsors to address specific tracts of concern. More broadly, it is essential that any legislation addressing Tongass land tenure issues includes language clearly stating that under no requirement of law would enactment precipitate another round of land management planning on the Tongass National Forest.

If H.R. 3560 or similar legislation is to advance through the legislative process, we would like to work with the bill's sponsors to assure the legislation includes such language.

Through the court ordered Tongass land management plan amendment process in which we are currently engaged, we have learned how important the sense of stability and resource access is to the 32 small communities embedded within the 17 million acres of the Tongass.

Until the planning process is finished, the communities who depend on the forest for many aspects of their livelihood, recreation and spiritual well being may experience additional long-term uncertainty. They have lived through years of timber industry's decline, once the backbone of economic stability in this region.

From them we have heard growing concerns over the distribution and viability of many wildlife species and changing attitudes about how the forest and its abundant resources should be managed. The completion of the Tongass land management plan and its implementation is important for community stability, is important to taxpayers interested in assuring its implementation given its costs, and is important to the Forest Service's ability to manage the public lands.

Again, we support the completion of the entitlement due to Sealaska as legislated in the Alaska Native Claims Settlement Act. We are willing to work with the Committee to resolve the issues I have discussed today.

This concludes my testimony. I will be happy to answer any questions you may have.

[The prepared statement of Ms. Simpson follows:]

Statement of Melissa Simpson, Deputy Under Secretary, Natural Resources and Environment, U.S. Department of Agriculture

Mr. Chairman and members of the Committee, thank you for the opportunity to talk with you today about a bill that addresses land claims in Alaska. I am providing testimony on behalf of the Department of Agriculture on H.R. 3560, the Southeast Alaska Native Land Entitlement Finalization Act. We recognize and support the need to finish existing statutory land transfer obligations to Native Cor-

porations in Alaska, including Sealaska Corporation (Sealaska), and are committed to that goal. As part of the settlement enacted in the Alaska Native Claims Settlement Act (ANCSA) in 1971, Native Corporations were created and selected federal lands for conveyance. Sealaska is the regional Native Corporation representing Southeast Alaska and has received some of its entitlement under Sec. 14(h)(1) of ANCSA; however there are additional acres that remain to be conveyed from National Forest System lands. We defer to the Department of the Interior to determine the final allocation of acreage to Sealaska. For the reasons we have outlined below, we have serious concerns with this bill.

Background

Our testimony will focus on how this proposal relates to the management of the public lands of the Tongass National Forest (Tongass).

H.R. 3560

H.R. 3560 would direct the Secretary of the Interior to convey over 300 separate tracts of land within the Tongass to Sealaska.

The Forest Service has been engaged in a process to revise the original Land and Resource Management Plan on the Tongass for over 20 years with the goal of establishing economic stability to Southeast Alaska. Our current forest planning effort is drawing to a close in the near future and represents a balanced plan that protects wildlife and fish, and will provide a stable supply of economic timber to the local industry. Management of some National Forest System lands are currently encumbered by the ANCSA withdrawals. Finalizing withdrawals will simplify the future management of these lands.

The information and attached maps provided in the bill are not sufficient to accurately assess potential affects at this time. However, we have concerns with some of the selections that are proposed by this bill because the selections could remove key areas of land from the Tongass that contribute toward the goals of the land management plan and the scientific basis on which it is premised. We would be happy to work with the bill's sponsors to address specific tracts of concern. More broadly, it is essential that any legislation addressing Tongass land tenure issues includes language clearly stating that under no requirement of law would enactment precipitate another round of land management planning on the Tongass National Forest. If H.R. 3560 or similar legislation is to advance through the legislative process, we would like to work with the bill's sponsors to assure the legislation includes such language.

Through the court ordered Tongass Land Management Plan amendment process in which we are currently engaged, we have learned how important the sense of stability and resource access is to the 32 small communities embedded within the 17 million acres of the Tongass. Until the planning process is finished, the communities who depend on the forest for many aspects of their livelihood, recreation and spiritual well-being may experience additional long-term uncertainty. They have lived through years of timber industry's decline, once the backbone of economic stability in this region. From them we have heard growing concerns over the distribution and viability of many wildlife species and changing attitudes about how the forest and its abundant resources should be managed. The completion of the Tongass Land Management Plan and its implementation is important for community stability, is important to taxpayers interested in assuring its implementation given its costs, and is important to the Forest Service's ability to manage the public lands.

Again, we support completion of the entitlement due to Sealaska as legislated in the Alaska Native Claims Settlement Act. We are willing to work with the Committee to resolve the issues I have discussed today. This concludes my testimony. I would be happy to answer any questions you might have.

The CHAIRMAN. Thank you, Ms. Simpson.

STATEMENT OF BEN ERULKAR, DEPUTY ASSISTANT SECRETARY FOR ECONOMIC DEVELOPMENT, ECONOMIC DEVELOPMENT ADMINISTRATION, U.S. DEPARTMENT OF COMMERCE

Mr. ERULKAR. Chairman Rahall, Ranking Member Young and Members of the Committee, I am honored to be here today representing the Department of Commerce.

I also pleased to be testifying at the same hearing as Julie Kitka, President of the Alaska Federation of Natives. The Department of Commerce knows Ms. Kitka well, and we have come to greatly appreciate her passion, commitment and new ideas regarding improving economic opportunity in Native American communities.

I appreciate the opportunity to discuss with the Committee the Native American Challenge Demonstration Project Act of 2007. Although the Administration has not taken a position on the bill, in this tight fiscal environment it is clear that spending constraint is one of the Administration's top priorities.

However, the Department of Commerce is pleased to offer our observations today based on our experience working with Native American communities. Overall, the Department appreciates the bill's emphasis on planning to promote successful economic development and the effort to incorporate performance benchmarks in order to better ensure that results are achieved for areas where economic opportunity lags.

These emphases ring familiar with the Economic Development Administration. EDA has three policy priorities that guide its investment philosophy. We look for projects that promote innovation and competitiveness, entrepreneurship and regional collaboration. These three cornerstones of EDA's approach have successfully created higher skilled, higher wage jobs, attracted private investment and prepared America's regions for competitive success in the 21st century.

In selecting projects for investment, both for distressed Native American communities, as well as other distressed areas, EDA relies on grassroots ideas. When local decision makers develop and implement economic development strategies, greater numbers of higher skill, higher wage jobs result.

The Native American Challenge Demonstration Project Act of 2007 correctly identifies the fundamental need to begin any economic development with strategies designed to achieve sustainable growth and reduce poverty over a defined period. The bill intends to mirror the framework established by the Millennium Challenge Act, which improves how the U.S. provides foreign aid to underdeveloped countries.

The Millennium Challenge Act establishes criteria to ensure that recipient countries are development ready to successfully take advantage of economic development resources. In addition, the bill recognizes the critical need to measure actual results.

Equally significant, it recognizes that accountability in the implementation of such projects is an important incentive for success. Accordingly, it authorizes the Secretary to suspend or terminate assistance for poor performance so resources can be redirected to more promising initiatives.

I also appreciate the intent of the bill to simplify the complex maze of often confusing regulatory requirements that Native American communities face in accessing assistance from a myriad of Federal programs.

In conclusion, this demonstration bill, H.R. 3351, proposes to provide Native American communities with a multi-year strategic economic development plan developed by the community and pushes the major decision making to the local level. This is the

crucial first step to a successful outcome, as is the provision of technical assistance to support capacity building, which a number of communities are likely to need.

We appreciate the intent of this bill to adapt the framework of the Millennium Challenge to Native American communities. While there are no Department of Commerce funds available for this program, we look forward to working with Chairman Rahall, Ranking Member Young and the Committee to bring our experience in economic development to bear in helping Native American communities prosper.

In addition, I urge the Committee and those interested in this bill to reach out to those implementing the Millennium Challenge in order to utilize their expertise in crafting criteria that address the development ready aspect of the proposed legislation.

Mr. Chairman, Ranking Member Young and Members of the Committee, thank you for your time. We look forward to being helpful as this bill moves through the Congress.

[The prepared statement of Mr. Erulkar follows:]

Statement of Ben Erulkar, Deputy Assistant Secretary for Economic Development, Economic Development Administration, U.S. Department of Commerce

Introduction

Chairman Rahall, Ranking Member Young, and Members of the Committee, I am honored to be here today representing the Department of Commerce. I am also pleased to be at the same hearing as Julie Kitka, President of the Alaska Federation of Natives. The Department of Commerce knows Ms. Kitka well, and we have come to greatly appreciate her passion, commitment, and new ideas regarding improving economic opportunity in Native American communities.

I appreciate the opportunity to discuss with the Committee the "Native American Challenge Demonstration Project Act of 2007." Although the Administration has not taken a position on the bill, in this tight fiscal environment, it is clear that spending constraint is one of the Administration's top priorities. However, the Department is pleased to offer our observations today, based on our experience working with Native American communities. Overall, the Department appreciates the bill's emphasis on planning to promote successful economic development, and the effort to incorporate performance benchmarks in order to better ensure results are achieved for areas where economic opportunity lags.

Department of Commerce Experience with Native American Communities

The Department of Commerce has promoted economic growth in Native American communities in the following ways:

Minority Business Development Agency Funds Business Centers

The Minority Business Development Agency (MBDA) funds eight Native American Business Enterprise Centers in Oklahoma, New Mexico, North Dakota, California, Washington, Minnesota, Arizona, and New Mexico, which provide technical assistance and procurement services to Native American businesses. Through this program, the MBDA focuses on helping with contracting and finance opportunities for Native American businesses and Alaska Native corporations.

International Trade Administration Promotes Exports and Tourism

The International Trade Administration's Commercial Service plays a key role in promoting Native American exports abroad. Since 2004, the Commercial Service has helped its growing base of Native American businesses to achieve approximately $775,000 in export sales and international tourism in tribal lands. The Commercial Service has provided research on target markets for Native American artisan work, funded activities at international industry trade shows, and presented training seminars for Native American communities on marketing their native crafts and their lands as travel destinations. Also, the International Trade Administration's Office of Travel and Tourism Industries has tracked tourist visits to Native Amer-

ican communities since 1996. This information is helpful in identifying traveler characteristics and targeting markets for overseas travelers.

The Economic Development Administration Invests in Job Creation

The Department of Commerce's Economic Development Administration (EDA) makes investments to promote economic development in Native American communities. Native American communities are eligible to compete for EDA investments, and can by statute receive up to one hundred per cent federal funding of their economic development initiatives.

Since 2001, the Economic Development Administration (EDA) has made 509 strategic investments to Native American communities and organizations for economic development, totaling over $88 million; these investments are estimated to have created over 9,400 jobs for Native Americans, saved another 6,500 jobs, and leveraged over $395 million in private sector investment.

Each year, EDA awards approximately 55 planning investments totaling $2.6 million to Native American governments to help with the creation of comprehensive economic development strategies, and EDA expects to maintain this level of investment in 2008. By crafting economic development strategies that reflect local priorities, Native American governments position themselves to direct their resources to optimal use.

EDA has three policy priorities that guide its investment philosophy; we look for projects that promote:

- innovation and competitiveness,
- entrepreneurship, and
- regional collaboration.

These three cornerstones of EDA's approach have been successful in creating higher-skilled, higher-wage jobs, attracting private investment and preparing America's regions for success in the 21st century.

In selecting projects for investment, both for distressed Native American communities as well as other distressed areas, EDA relies on grassroots ideas. When economic development strategies are developed by local decision makers, the whole process works better.

As examples of EDA's investments in Native American and Indian communities, allow me to review two of EDA's more fruitful partnerships.

Native Village of Kwinhagak

In 2004, EDA made an investment in the Native Village of Kwinhagak near Bethel, Alaska. EDA invested $1.2 million to extend the airport runway 800 feet to accommodate planes handling bigger payloads. This successful investment generated 189 jobs. The runway is strategically located to ship cargo to remote wilderness in southwest Alaska and to Anchorage, therefore this runway extension benefits a whole region, not just a locality.

The Umatilla Tribes of Oregon

Just this year, the Confederated Tribes of the Umatilla Indian Reservation of Oregon prepared a master plan for the development of a business park with other partners in the region. The park is expected to generate $10 million in private investment and its first tenant is a global management and technology services firm. Approximately 200 higher-skill, higher wage jobs will be created in the park, for which the Tribes helped to establish workforce development programs at a nearby university to train their members. This project has proven to be so successful that EDA awarded the Tribes a performance award, providing the Tribes with additional financial resources.

H.R. 3351

The "Native American Challenge Demonstration Project Act of 2007" correctly identifies the fundamental need to begin any economic development with strategies designed to achieve sustainable growth and reduce poverty over a defined period.

The bill intends to mirror the framework established by the Millennium Challenge Act, which improves how the U.S. provides foreign aid to under-developed countries. The Millennium Challenge Act establishes criteria to ensure that the countries are "development ready" to successfully take advantage of economic development resources.

If this demonstration project follows the Millennium Challenge Act model, it is critically important that Native American communities be able to show development readiness by the improvement of schools and education levels; elimination of regu-

latory barriers to business creation; and a reduction in violent crime. I also note that it is equally critical that these communities take steps to promote productivity, innovation and entrepreneurship, which underpin successful economic development in the 21st century. One of the most significant challenges facing Native American communities is creating an environment that is attractive to private sector investment. While government resources are important, without private sector investment economic growth and job creation will simply not occur.

In addition, the bill recognizes the critical need to measure actual results. Equally significant, it recognizes that accountability in the implementation of such projects is an important incentive for success; accordingly, it authorizes the Secretary to suspend or terminate assistance for poor performance, so resources can be redirected to more promising initiatives. I also appreciate the intent of the bill to simplify the complex maze of often confusing regulatory requirements that Native American areas face in accessing assistance from a myriad of federal programs.

However, while the Native American Challenge Compacts are an interesting concept, they also raise some important issues. The Compact grants in this bill are based on a process of pre-identifying eligible entities, which limits and segments the grantee population. Furthermore, the eligibility criteria for these demonstration grants are neither based on merit nor need, which hinders the overall competitive process. As there may be opposition to these elements, more thought should be placed on general eligibility criteria.

There is also concern over other agencies transferring development funds to the Department of Commerce. We would, of course, need to discuss such arrangements with our sister agencies.

We have been informed that the Justice Department has concerns about the definition of "eligible entity" in section 3 of the bill. As I understand the issue, to the extent that the bill could be viewed as authorizing the award of government assistance on the basis of racial or ethnic criteria, rather than tribal affiliation, grants would be subject to strict constitutional scrutiny. Since Congress has not recognized any group of Native Hawaiians as an Indian tribe and there is a substantial, unresolved question whether Congress may treat the native Hawaiians as it does the Indian tribes, I understand that Justice recommends that Native Hawaiian community organizations be deleted from the list of eligible entities.

Conclusion

This demonstration bill, H.R. 3351, proposes to provide Native American communities with a multi-year strategic economic development plan developed by the community, and pushes the major decision-making to the local level. This is the crucial first step to a successful outcome, as is the provision of technical assistance to support capacity building, which a number of communities are likely to need.

We appreciate the intent of this bill to adapt the framework of the Millennium Challenge to Native American communities. While there are no Department of Commerce funds available for this program, we look forward to working with Chairman Rahall, Ranking Member Young and the Committee, to bring our experience in economic development to bear in helping Native American communities prosper. In addition, I urge the Committee and those interested in this bill to reach out to those implementing the Millennium Challenge in order to utilize their expertise in crafting criteria that address the development-ready aspect of the proposed legislation.

While the emphasis on performance and planning is impressive, more consideration should be given to broadening the eligibility of the grant program.

Mr. Chairman, Ranking Member Young, and Members of the Committee, thank you for your time and we look forward to being helpful as this bill moves through the Congress.

The CHAIRMAN. The Chair thanks the panel for their testimony.

To Mr. Nedd, my first question is you state in your testimony that the Department of Interior opposes the Alexander Creek Recognition Act and the Native Veterans Land Allotment Act and does not support the Southeast Alaska Native Land Entitlement Finalization Act.

I just would wonder what the process for selecting you to deliver the news to Mr. Young this morning was. Did you draw straws downtown?

[Laughter.]

The CHAIRMAN. Anyway, with regard to Alexander Creek, H.R. 2445, do you have an estimate of the current fair market value of 61,440 acres of land which Alexander Creek would be entitled to in the form of a Treasury account under the bill?

Mr. NEDD. Mr. Chairman, we do not have a current estimate right now of the exact cost.

The CHAIRMAN. Could you supply that at a later time for the record?

Mr. NEDD. Mr. Chairman, yes, we will.

The CHAIRMAN. Thank you.

Concerning the Native veteran allotment bill, H.R. 3350, your testimony notes that the bill "also raises the possibility of constitutional challenge as to whether it may be an impermissible preference."

Could you elaborate on why the Department has constitutional concerns about this bill and specifically why is this different than other legislation which Congress routinely enacts to benefit Native Americans?

Mr. NEDD. Mr. Chairman, the concern raised there was the bill that opens up to Alaska Native veterans versus all veterans and then looking at the time period for when the bill was originally opened up for.

The CHAIRMAN. Why is this different than other legislation that, as I say, Congress routinely enacts to benefit Native Americans?

Mr. NEDD. Mr. Chairman, the way the bill is structured it would be to a particular group of veterans, the Alaska Native veterans, as compared to other Alaska Natives, and the way the ANILCA or ANCSA was constructed, Mr. Chairman, raises some concern.

The CHAIRMAN. Mr. Young may want to follow up on that, but let me go to my final question.

Your testimony on the southeast Alaska land conveyance bill, H.R. 3560, states that the final allocation of land entitlement for the Native corporation has not yet been determined.

Do you have a ballpark estimate of how much land remains to be conveyed to the corporation, and what happens if H.R. 3560 is not enacted? Will the Native corporation still get the land to which it is entitled under the Alaska Native Claims Settlement Act?

Mr. NEDD. Right now BLM will not know with certainty how much additional land, if any, will be available for the allocation on the section, Mr. Chairman, until all work is complete. Approximately there is about 16,000 pending applications.

The CHAIRMAN. Are you talking about H.R. 3560?

Mr. NEDD. Yes, Mr. Chairman.

The CHAIRMAN. Let me go to the time of the Ranking Member.

Mr. YOUNG. Mr. Chairman, we have some votes.

Mr. Nedd, I can't pick on you particularly. I would love to, but I can't. I am unhappy with the Administration. I am unhappy with the Secretary.

I think you guys have really dropped the ball; not only this legislation, but all the way through this Administration when it comes to the Department of Interior, especially when it comes to American Natives and Alaska Natives.

You say you have to do more work. Thirty-six years, and you have been sitting on your thumbs. Thirty-six years. You don't know

how many acres the State of Alaska has. They will tell me how much. I know the number. You should know it. Still, that hasn't been transferred.

If my bill doesn't pass, what they will do is to select old growth timber. What they want to do is select new growth with roads, not old growth, which solves a lot of our problems. But the Interior Department apparently doesn't take that into consideration.

By the way, the Forest Service may have some questions about this, but they should be the lead agency and not you.

Mr. Chairman, like I say, I read this testimony. This is 35 years old, and you still don't have the answer. That is not good. Everything is I oppose, I oppose. They opposed the original claims. In fact, President Nixon was going to veto the Native Land Claims Act itself because people opposed it. The agency opposed it.

I go through the history of this, and every time I come to one of these hearings the agency has opposed anything that is beneficial and is helpful to the Native people where you should have done the job. Not you personally but the agency. You haven't done it.

Melissa, did I understand you correctly that if there was disclaimer language in the bill as far as rewriting the key limit that you might have better understanding or better sympathy for the bill in the southeast?

Ms. SIMPSON. That is correct.

Mr. YOUNG. OK.

Ms. SIMPSON. We need to go back and look at the specific tracts though. As you know, there are several issues in the legislation that have not been analyzed through the NEPA process. That is our biggest concern.

Mr. YOUNG. I am trying to solve a problem.

Ms. SIMPSON. Understood.

Mr. YOUNG. We will work with you. You said you would work with us. I am trying to solve this process. Further witnesses, Mr. Chairman, will explain what we are talking about.

There are some questions about cultural areas. Now the cultural areas should be managed by the southeast Alaska Natives. It shouldn't be the Park Service. We can arrange that.

The other areas in question, I am sure that they will tell you that they are not going to interfere with the Yukon park or whatever you want to call it. They are not going to be involved in that. They are trying to select land that will fulfill their obligation under the Alaska Native Land Claims Act, lands that have already been used. I think that is the best and wisest decision.

Mr. Chairman, I am not going to ask any further questions right now. Like I say, I am disgusted with the Department of Interior right now. I am not through with it yet. Promise me, I am not, but I have no more questions at this time. I might say something I regret.

The CHAIRMAN. I just have one quick follow-up question for Mr. Simpson, and then I will recognize you, Eni, if I might continue on my time.

Ms. Simpson, this follows from what the Minority Member was just stating. Your testimony states that the Department has serious concerns about H.R. 3560 and its impact on the Tongass Na-

tional Forest. Among other things, you state that the maps referenced by the bill are not sufficient to address potential effects.

Has the Forest Service conducted any public hearings in southeast Alaska or analysis regarding the bill's impact on the National Forest under NEPA?

Ms. SIMPSON. No.

The CHAIRMAN. Since no NEPA work has been done on this legislation, could the Alaska Regional Office provide a report to the Committee with greater detail and analysis than is contained in your short and rather cryptic testimony today?

Ms. SIMPSON. Yes.

The CHAIRMAN. It needs a description, with all due respect.

Ms. SIMPSON. I believe the Forest Service can provide additional information. They will have to speak with Sealaska and get further detail, more detailed maps in particular.

The CHAIRMAN. Great. Thank you.

Mr. Faleomavaega?

Mr. FALEOMAVAEGA. Mr. Chairman, thank you. I certainly want to compliment the fantastic work of the gentleman from Alaska not only for introducing these pieces of legislation, but some 30 years that he has been a Member of this committee.

He has my utmost respect and admiration for his initiatives and his sensitivity and the needs of our Native American community. I say that quite well not only for the Native Alaskans, but for the American Indian community.

I just wish some of my colleagues here on the other side of the aisle would have been here to understand that what we are trying to do is to give assistance to the Native Hawaiians using the race issue as if the Native Hawaiians are separate from Native Americans and Native Alaskans.

I just wish the Administration would give that same consideration. These are the only indigenous groups of people that we have under the American flag that should be given proper recognition, but somehow we keep coming up with this race issue that seems to divide us.

I sincerely hope, Mr. Chairman, in the coming weeks and months that maybe our colleagues on the other side will bear a little understanding and appreciation of what we go through here.

The question of the Native Alaskan Veterans Allotment Act. I hear the gentleman saying that it precludes other Native Alaskans. Am I correct in hearing your testimony just now, sir?

Mr. NEDD. Congressman, yes. The way we understood the bill, it would preclude other Alaska Natives.

Mr. FALEOMAVAEGA. I don't think that was the intent of the legislation. I think it is broad enough that any Native Alaskan veteran should be a beneficiary to this. Am I correct?

Mr. NEDD. Yes, Congressman. Any Native Alaskan veteran, yes.

Mr. FALEOMAVAEGA. And you are saying that the legislation is too narrow; it only specifically addresses certain Native Alaskan veterans?

Mr. NEDD. It separates. We felt that the way the bill is written it separates. It would allow allotment to Alaskan Native veterans, but not Alaskan Natives as proposed under the previous bills.

Mr. FALEOMAVAEGA. Well, this is for veterans. If you have served in the military, you are a beneficiary. Only if you are a veteran.

I recall that we have a similar loan program for myself. My tribe lives on communal lands. The Native Hawaiians live on homestead lands and our Native American Indians live in their own reservations or particular lands, so why should they be precluded? I don't follow your reasoning saying Native Alaskan veterans, not Alaskans per se.

Mr. NEDD. That is right, Congressman.

Mr. FALEOMAVAEGA. All right. We will proceed and see how this might come out in the final Act.

I want to say for the record, Mr. Chairman, I absolutely support all these pieces of legislation as it purports to advance and to provide for the better needs of our Native Alaskan peoples. I just wish and hope that the Members of this committee will accept these proposed bills.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Eni.

That concludes all the questions we have for this panel', but before dismissing you I would like to extend special recognition to Paul Kirton from the Solicitor's Office, who has worked on Alaska issues for decades and has served as a valuable resource to this committee. He is here with us this morning sitting to my far left on the front row.

We certainly welcome you, Paul, and thank you so much for your decades of service to this committee and to Administration after Administration and to our country. Thank you.

The Chair thanks the panel for being with us this morning. We will recess for four votes on the Floor of the House before calling up Panel II.

The Committee stands in recess.

[Recess.]

The CHAIRMAN. The Committee will reconvene.

Our Panel II is composed of Stephanie Thompson, President, Alexander Creek; Julie Kitka, President, Alaska Federation of Natives, accompanied by Paul Applegarth, Chief Executive Officer of Value Enhancement International, LLC; and Nelson Angapak, Vice President, Alaska Federation of Tribes.

Ladies and gentlemen, we welcome you to the Committee. You may proceed in the order I announced you, or if Mr. Young wants to introduce you he is certainly welcome to.

Mr. YOUNG. No. Everyone at this table has been here before I believe numerous times. We are looking forward to your testimony. Each one of you has a special interest.

Julie and Nelson especially were recognized before, so I would like to proceed with the hearing.

STATEMENT OF STEPHANIE S. THOMPSON, PRESIDENT, ALEXANDER CREEK

Ms. THOMPSON. Chairman Rahall, Congressman Young and Members of the Committee, thank you for the opportunity to testify on behalf of Alexander Creek. My name is Stephanie Thompson. I am President of Alexander Creek and have been for 21 years.

The past two years I have also served on the Alaska Federation of Natives Board for the Cook Inlet Region Villages. In this capacity I serve on the legislative committee and the convention committee.

Alexander Creek is located 27 miles northwest of Anchorage, Alaska, across Cook Inlet right below Mt. Susitna. To this day, Alexander Creek is assessable only by airplane, boat and snow machine.

I was 12 years old when ANCSA was enacted. I am now 48 years old. It has been 36 years, and we are still fighting for our village today. My Aunt Flora initially was the one to tell our community about ANCSA, telling us that we qualified and made sure that we registered for ANCSA. At that time, you needed only 25 people to be a village. The BIA determined we had 37 Natives properly enrolled to our village.

Our lands are rich in fish and wildlife and natural resources. Because of this and our close proximity to Anchorage, Alaska, there was much interest in our lands. Soon after ANCAB happened, and a hearing was held to respond to the protest of our land.

At that time, a number of our villagers were not called to testify. In fact, my dad, who was vice president at that time, who was a captain for WinAir Alaska, had just gotten off a flight and returned home when he got the call to come in and testify. He ran straight way in in his flight uniform. They put him on the stand unprepared, as he testified.

Shortly thereafter ANCAB came back with its decision after a secret proceeding was held and determined that there were only 22 Natives enrolled to Alexander Creek. As soon as we found this out we protested and put up a petition for them to reopen so our people could testify.

Now, these people, many of them were my aunts, my uncles, cousins and friends. They are a part of us, and they still are a part of us today. That is why I am here: To make sure you hear our story. ANCAB's reason for not allowing these people that they took off our roles to be part of Alexander Creek was that they did not testify. Well, they were never invited, and they did not know about that hearing at that time.

When ANCAB refused to let our village testify in this way, this is the way we lost our village status. Our people—that is right; our people—are still with us today. We have received support from everybody we have contacted: Congressman Young, the Mat-Su Borough, the State of Alaska, Alaska Federation of Natives, Cook Inlet Region Villages.

Cook Inlet Region themselves have given us two letters of support, and yesterday we were informed, with some concern to us, that they had some concerns on some of the new language we had drafted, which is a work in progress and is not yet available to this committee. We contacted them immediately and were able to resolve these issues, and we look forward to working with them and to their continuing support.

The information that I am leaving with you today, one of it is the briefing of Alexander Creek—it has a little more details of everything that happened—and a short, seven-minute video. This video shows our elders, and they tell their own stories of what hap-

pened to them. I am going to leave this with the Committee so that they will be able to see and be able to see our elders and hear their voice.

They have tasked me with the responsibility of making their voices heard. For this purpose, I am here. I would like to thank you very much. Quyana.

At this time I would also like to answer some of the Department's questions they had asked earlier. They asked why did we accept group status? At that time we were informed that we either take group status or we get nothing at all. Our villages met, and we were told this. We were given no choice. This was all we knew at the time, so we accepted that.

When I became President, the elders came to me and said Stephanie, how can this happen? We received things that said that we were a village. Of course we were. I was a part of it. How can this happen? I told them I don't know. That is when 21 years ago I started investigating and finding out.

I found our information in Paul Kirton's office. I was able to get together with Jim Gottstein, who did a wonderful job of going through those papers and letting us know what exactly happened to us. That is why I am here in front of you today.

Another concern that they asked about, that you had asked, was about the monetary value. At the time when we first did our papers there was not much land available. We are hoping in the substitute language that we have been working on to be able to possibly select lands that are now starting to become available because a lot of the villages and the regions are finishing up on their selections, and we are hoping to work with the state, the Federal government and the Mat-Su Borough on this.

Thank you very much.

[The prepared statement of Ms. Thompson follows:]

Statement of Stephanie S. Thompson, Alexander Creek Incorporated

Chairman Rahall, Ranking Member Young and distinguished members of the committee, Thank you for the opportunity to appear before you today on behalf of Alexander Creek. To talk about recognizing Alexander Creek as a village, a great injustice that needs to be resolved.

My name is Stephanie Thompson I am testifying today in my capacity as President of Alexander Creek, a position that I have held for 21 years. For the last two years I have served on the Alaska Federation of Natives Board representing the Cook Inlet Region Villages. In this capacity I serve on the legislative and convention committees.

LOCATION

Alexander Creek is located across Cook Inlet 27 miles northwest of Anchorage Alaska. Lying right below Mt. Susitna, Alexander Creek empties into the Susitna River just a few miles from its mouth in Cook Inlet. To this day, Alexander Creek is only accessible by boat, plane, snowmobile, or ATV.

HISTORY

Alexander Creek Village was first reported by George H. Eldridge in 1898.

Eldridge was tasked with conducting an extensive exploration of the geological, topographical, and other features of Alaska, which was authorized by Congress.

Alexander Creek had a thriving population until the whooping cough, measles and the influenza epidemics of the early 1900's decimated the Native population. By 1939 Alexander Creek was reoccupied by Native families.

ANCSA

On December 18,1971 Congress enacted ANCSA to settle Alaska Native Land Claims. Under ANCSA, Village Corporations were to receive from 69,120 acres to

161,200 acres depending on how many people lived there. As part of it's original selections Alexander Creek was the first in the Cook Inlet Region to select lands. These lands were rich in fish, wildlife, and natural resources. Because of these things and of its easy accessibility from Anchorage there was much interest in the lands that were selected.

INITIAL ELIGIBILITY DETERMINATION

My Aunt, Flora Thiele was actively involved helping with registration. Flora is a native from the Village of Seldovia. She informed us that we met the qualifications for a village and that we needed to register.

In order to be eligible a village needed to have 25 residents. The Bureau of Indian Affairs, which was charged with establishing the Village rolls, determined that there were 37 Natives properly enrolled to the Alexander Creek Village and that it should be certified as a Village for purposes of receiving ANCSA land and monetary benefits. Certification as a Village would have entitled Alexander Creek to 69,120 acres. However, most of the land that would have normally been available to Alexander Creek had already been conveyed to the State, and much of this already promised to the Matanuska-Susitna Borough. This created a conflict over land rights and the State of Alaska and the Mat-Su Borough protested Alexander Creek's eligibility.

INTERIOR DEPARTMENT DECISION

A hearing was held before an Administrative Law Judge to resolve the protests starting on July 11, 1974. However, a number of villagers were not called in to testify. My father who was Vice President at the time had just gotten home from flying when they called him in to testify. He went in his flight uniform and they put him on the stand unprepared.

In a "secret review procedure' The Interior Secretary's designee, the Alaska Native Claims Appeals Board (ANCAB) issued its decision on November 1, 1974 that there were only 22 natives properly enrolled to the village—3 short of the required 25. ANCAB's decision was reversed on appeal by the United States District Court on November 14, 1975 and Alexander Creek's village eligibility was ordered reinstated. This was appealed by the State of Alaska. One year later the Court of Appeals affirmed the District Court's ruling on the unconstitutionality of the secret proceedings.

ANCAB's stated reason for the refusal to recognize some of my Aunts, Uncles, cousins and friends that had been removed form our village rolls, was that they had not testified at the hearing. Immediately after learning this Alexander Creek requested ANCAB to let these villagers be heard, but ANCAB refused. In this way Alexander Creek lost their Village.

These people didn't go anywhere we include them with us still to this day, because of course they are part of Alexander Creek and they always will be—they are family.

CONCLUSION

The Alaska Native Claims Settlement Act of 1971 was the largest Native land settlement in the history of the United States. The complexity of the Act which ran many, many pages, and consumed the time of hundred upon hundreds of dedicated people—from within the federal government and state government—not to mention from within the Native community—from Barrow to Ketchikan. But passage of this settlement was just the start.

Next came the implementation of a very complex piece of legislation.

This was an unprecedented implementation phase full of complexity and difficult work. It would be unreasonable to assume that everything went smoothly or was done correctly. There are many errors which occurred and the Congress has systematically corrected them with amending legislation as the Members became aware of the errors.

In fact the history of the Alaska Native Claims Settlement Act, is that the federal law has been amended in every Congress since 1971. A package of technical amendments, and sometimes major policy changes have occurred. We in the Alaska Native community consider the Alaska Native Claims Settlement Act to be living legislation—that is intended to remain responsive to the real needs of Alaska Native people over time. The error that occurred to the people of Alexander Creek must be corrected and we have remedial legislation which can do this.

Mr. Chairman for the reasons that I have stated, our village corporation strongly supports H.R. 2445. Congressman Young has listened to our concerns and is seeking to correct a wrong, a wrong which Congress can correct. The federal courts have heard our concern, and have stated that this wrong should be corrected. The most significant aspect of the legislation is that it correctly recognizes Alexander Creek

as what it has been for hundreds of years: an Alaska Native Village. The bill would recognize Alexander Creek as a village, not a group corporation, and provide a means for the village to receive the value it is due under ANCSA as a recognized village. These are our most important goals. We have worked with Congressman Young and staff on a potential substitute that would meet these two goals and provide more for land conveyances than for just compensation. We would be happy to work with the committee and the State of Alaska on either approach, both of which would exclude any land conveyance in conservation units.

We have been recognized as a group corporation, but we are not we are a Village.

We've received support from everyone we contacted, the Villages, Cook Inlet Region, Alaska Federation of Natives, the Matanuska Susitna Borough, and the State of Alaska.

The time to act is now.

I will be leaving a briefing document and a DVD entitled "These Voices Must Be Heard", which tells the story of Alexander Creek in the words of our elders.

I'd like to thank you in the language of our people—Quyana.

[NOTE: Attachments have been retained in the Committee's official files.]

The CHAIRMAN. Thank you.

STATEMENT OF JULIE E. KITKA, PRESIDENT, ALASKA FEDERATION OF NATIVES, ACCOMPANIED BY PAUL APPLEGARTH, CHIEF EXECUTIVE OFFICER, VALUE ENHANCEMENT INTERNATIONAL, LLC

Ms. KITKA. Good morning. Thank you, Mr. Chairman. My name is Julie Kitka, and I am testifying today in my position as President of the Alaska Federation of Natives. I have a cold today, so I apologize if my voice kind of sounds a little rough.

Thank you for allowing me to testify on H.R. 3351, which our congressman has introduced. We very much appreciate this hearing, and we are supportive of this bill and urge its swift passage and implementation. At our recent AFN annual convention held in Fairbanks less than a couple weeks ago, our delegates voted unanimously, and I ask that the resolution of support be included in the record.

A little bit of background. In March of 2002, President Bush proposed establishing the Millennium Challenge Account, a foreign aid program designed to provide substantial new foreign assistance to low income countries that are ruling justly, investing in their people and encouraging economic freedom.

The MCA was envisioned as the most fundamental change to U.S. foreign policy assistance since President John F. Kennedy introduced the Peace Corps, the U.S. Agency for International Development and the Alliance for Progress in the early 1960s.

The significance of the initiative lies partly in its scale, with a greater focus on recipient country ownership of programs, greater budget support in certain circumstances and a great emphasis on results-based management and on providing a larger share of aid to countries with a demonstrated commitment to policy reform.

H.R. 3351 proposes essentially a demonstration project of a domestic version of the Millennium Challenge Account targeted to Native American populations with the highest levels of poverty. AFN is supportive of this demonstration project and has been working with our partners, Bristol Bay Native Association and the Association of Village Council Presidents and their 87 Native villages, for a number of years on elements of this.

The relevance of this demonstration project recently was brought home by a visit from the President of Mongolia to the AFN annual convention in Fairbanks. President Nambaryn Enkbayar was in the United States to sign a five year, $285 million compact with President Bush and the United States to reduce poverty and increase economic growth.

The five main areas of the agreement that he signed with the United States dealt with a rail project, property rights project, vocational education, health project and administration. This was the fifteenth MCC compact signed by the United States, totaling nearly $4.9 billion covering areas in Africa, Central America, Eurasia and the Pacific.

When AFN talked with President Enkbayar about the recent Millennium Challenge compact, we mentioned H.R. 3351, which was pending to create a domestic version. We asked President Enkbayar if he would share lessons his country learned from their implementation and that we would share what lessons that we learned, and he agreed.

The reason for globalization continues where in a remote, isolated place like Alaska we could have exchanges with remote, isolated places like Mongolia for the sole purpose of reducing poverty with economic growth and fostering positive relations. It is an amazing time that we live in.

This model deserves to be tested among our Native American populations with high poverty rates. We don't need to invent or reinvent the wheel. We need the Congress to pass H.R. 3351 and provide the resources for our people to bring about the benefits of this program to more people. It can be replicated within the United States with predictable positive results, and we will discover how to do it with your help. We can add to the collective knowledge about strengthening Native communities within the United States during periods of rapid change and uncertainty.

We ask you to think of the following questions as you deliberate on this important piece of legislation: Is this a good idea? Is it a powerfully good idea for systemic change in Native communities? Can you take a chance on us that we are capable of implementing this? Is there a national impact here?

AFN believes there is. We are committed to staying the course and willing to keep at it for as long as it takes to succeed. That is an expression on how we believe this demonstration project can make a difference in our people's lives.

I know I am running close on the time. I wanted to ask for a couple resource materials to be added to the record. One is AFN commissioned the University of Alaska Institute of Social and Economic Research and First Alaskans Institute to do a 30-year trend analysis on key indicators with the Native population, and we ask that this trend analysis, the executive summary, be included in the record.

What we will see in the trend analysis, just very briefly, is there has been tremendous progress made in the last 30 years. Many indicators—everything from health, housing and well being—have improved for Alaska Natives, so the work that this Congress and our leadership have done has made a difference. You can just see it in the black and white statistics in the trend analysis.

What we see is a continuing threat of disparity on all the major indicators. The disparity is getting closer to closing, but it is still there. It is this targeted area that we are hoping to use, the demonstration project, to close the disparity gap that continues and bring greater equity.

We use the example of the poverty rate because this is primarily focused on reducing poverty in Alaska, Hawaii and in some targeted reservations. While Alaska Native per capita income in the year 2000 was four times higher than it was in the 1960s, that income was still less than one-half of the income earned by non Natives during the same period of time.

In remote Alaska, where the cost of living is the highest, 60 percent of the population is Alaska Native. In fact, one-quarter of all Native families in remote Alaska live below the poverty level, and one-fifth of the Native population lives below the poverty level.

Overall, the poverty rate for Alaska Natives is still three times that of non Natives, so I think that we have more than adequate documentation of the critical need that we need this program for. We have the statistical trend analysis that will show you what is the disparity gap that we are hoping to close, and so that is the target of what we are trying to do.

In addition to that, we have worked with you. In fact, the Congress a couple years ago amended and put in a provision in the Denali Commission to direct them to do an assessment of these indicators on reducing poverty.

The contractor for the Denali Commission, the First Alaskans Institute, just completed in September of 2007 a lengthy report called Engaging Community Knowledge to Measure Progress: World Development Performance Measures. We ask that that be put into the record. I have given the clerk the volume of the report, as well as the CD.

We have been working on this for a number of years, and we have been doing all the groundwork on the reports and the statistics so that when we come to you and ask you for authorization of this bill and give us the resources to implement it we will have all the statistical measurements that you can and the targeted focus, so I think that we are doing a lot of preparation right now.

The third thing I would like to add included in the record is we have really been focused on this results-based management. We are a great believer that the more that you focus in on what you are trying to accomplish the greater success that you have.

We are very aware of the limited and tight environment you deal with as far as Federal resources, so we want to make sure that whatever resources that we ask for are used as well and as smart and as leveraged as much as possible.

And so we commissioned another analysis of results-based management processes used by the OMB, used by the Asian Development Bank, to see another perspective on this results-based management and then another model which RuralCAP uses called the ROMA model, and we ask that that analysis be put into the record because I think it has some very relevant findings on this results-based management and how, properly put together with our bill on that, we could have great results.

The last thing I wanted to just mention that has been raised with us is how do we get some kind of independent verification of this demonstration project and make sure that what we are trying to accomplish actually is accomplished. How do we have somebody that is disinterested that can take a look at that and the results to make sure again that the resources are used in as most effective way as possible.

In this light, AFN has contacted the Center for Global Development and the Brookings Institute, which are both leading entities who have been following the MCC project since its inception. AFN has asked them to convene a workshop of leading experts on the Millennium Challenge and also on reducing poverty through economic growth.

We anticipate when this bill is passed and it is in its implementation stage we would work with the Commerce Department, the Center for Global Development, the Brookings Institute and a number of other universities in helping us map out a process for sharing information and best practices and also this implementation of a third party evaluation process.

With that, Mr. Chairman, I just wanted to introduce real quickly who is accompanying me is Mr. Paul Applegarth, who is available to answer questions should there be questions.

Mr. Applegarth was the first president of the Millennium Challenge Corporation when it was set up as an independent, Federally chartered appropriation to handle the big, international program for the United States, and he has been assisting us. We have really appreciated his help in doing our advance work on this legislation.

Thank you.

The CHAIRMAN. Thank you, Julie. Without objection, all of the requested materials will be made part of the record.

[The prepared statement of Ms. Kitka follows:]

Statement of Julie E. Kitka, President, Alaska Federation of Natives, on H.R. 3351

Good morning. My name is Julie E. Kitka, and I am testifying today in my position as President of the Alaska Federation of Natives. Thank you for holding this hearing and allowing us to testify on H.R. 3351. The Alaska Federation of Natives (AFN) is fully supportive of H.R. 3351 and urges its swift passage and implementation. The delegates to the 2007 AFN Annual Convention held recently in Fairbanks, Alaska considered H.R. 3351 and unanimously voted in support of the legislation. We asked that the 2007 AFN Annual Convention resolution of support be included in the hearing record.

Background:

In March 2002, President Bush proposed establishing the Millennium Challenge Account (MCA), a foreign aid program designed to provide substantial new foreign assistance to low-income countries that are "ruling justly, investing in their people, and encouraging economic freedom." The MCA was envisioned as the most fundamental change to U.S. foreign assistance policy since President John D. Kennedy introduced the Peace Corps, the U.S. Agency for International Development (USAID), and the Alliance for Progress in the early 1960s. The significance of the initiative lies partly in its scale, with a greater focus on recipient country ownership of programs, greater budget support in certain circumstances, and a greater emphasis on "results-based management" and on providing a larger share of aid to countries with a demonstrated commitment to policy reform.

H.R. 3351 proposes essentially a demonstration project of a domestic version of the Millennium Challenge Account (MCC) targeted to Native American populations with the highest levels of poverty. AFN is fully supportive of this demonstration project and has been working with our partners, Bristol Bay Native Association and the Association of Village Council Presidents, and their 87 Native villages, for a

number of years on elements of it. The relevance of this demonstration project recently was brought home by a visit from the President of Mongolia to the AFN Annual Convention in Fairbanks a couple of weeks ago. President Nambaryn Enkbayar was in the United States to sign a MCC agreement with the United States. The October 22, 2007 signed agreement was a five year, $285m compact to reduce poverty and increase economic growth. The five main areas of the agreement deal with a rail project, property rights project, vocation education project, health project and administration. This was the 15th MCC compact signed by the United States totally nearly $4.9B covering areas in Africa, Central America, Eurasia and the Pacific.

When AFN talked with President Enkbayar about the recent MCC compact—we mentioned H.R. 3351 which was pending to create a domestic version. We asked President Enkbayar if he would share lessons his country learns from their implementation, and that we would share what lessons we learned. He agreed. The reach of globalization continues—where in a remote isolated place like Alaska, we could have exchanges with a remote isolated place like Mongolia—for the sole purpose of reducing poverty with economic growth and fostering positive relations. It is amazing times we live in.

This model deserves to be tested among our Native American populations with high poverty rates. We don't need to invent or reinvent the wheel. We need the Congress to pass H.R. 3351 and provide the resources for our people to bring about the benefits of this program to more people. It can be replicated within the United States with predictable positive results and we will discover how to do it with your help. We can also add to the collective knowledge about strengthening Native communities within the U.S. during periods of rapid change and uncertainty.

We ask you to think of the following questions as you deliberate on this important piece of legislation: Is this a good idea? Is it a powerfully good idea for systemic change in Native communities? Can you take a chance on us that we are capable of implementing this? Is there a national impact here? AFN believes there is. We are committed to staying the course and are willing to keep at it as long as it takes to succeed. That is an expression on how much we believe this demonstration project can make a difference in our peoples lives.

As a result of this program getting authorized and implemented we will continue to build the capacity of Native Americans to engage in economic activities and pull ourselves out of the poverty trap. We all know that the U.S. economy has continued to grow and that there are pockets within the U.S. where the increased prosperity has not reached. This demonstration project, in many ways is intended to ensure that no one gets left behind. AFN anticipates that the renewed focus and attention on poverty within Native communities will allow the development of new partnerships working together to expand life opportunities for Native Americans.

Recently, AFN commissioned the University of Alaska, Institute of Social and Economic Research, and First Alaskans Institute to do a thirty-year trend analysis of key indicators within the Alaska Native population. Although tremendous improvements in health, education, housing and well-being has occurred over the last 30 years—poverty among Alaska Natives remains twice that of Non-Alaska Natives—over 20%. **We see a continuing thread of disparity on every major indicator of well-being.** It is this disparity we hope to attack with implementation of H.R. 3351. That is our focus. That is what we ask you to hold us accountable to accomplish. We need your help to do this. We need H.R. 3351 passed and implemented quickly. AFN asks that the Executive Summary of the 30 Year Trend Analysis be included in the hearing record.

Another example of our advance preparations included a request we made to the Congress several years ago to include a new provision within the Denali Commission to do an assessment of indicators, performance measures on reducing poverty in Alaska. The First Alaskans Institute just completed the project on behalf of the Denali Commission and has released a lengthy report entitled "Engaging Community Knowledge to Measure Progress: Rural Development Performance Measures Project Report"—September, 2007. We ask this report be made a part of the hearing record. We have a hard copy, and a CD of the report and 10 appendices. AFN anticipates that this report will become a part of the demonstration project and used extensively in the development of work plans and proposals to the Secretary of Commerce under this legislation.

AFN has been very interested in how the results-based management process works in different sectors and with what success. AFN commissioned an analysis of the results-based management process of the Office of Management and Budget (OMB), the Asian Development Bank's process and RuralCAP's ROMA model. AFN asks that this analysis be included in the hearing record.

AFN has also anticipated that the Congress will want to see independent verification of activities and results of the demonstration project. In this light, AFN

has contacted the Center for Global Development and the Brookings Institute, both leading entities who have been following the MCA project since its inception. AFN has asked them to convene a workshop of leading experts to share best practices learned from the MCA and other global initiatives to reduce poverty through economic growth. AFN anticipates, when H.R. 3351 is passed and is in its implementation stage, the U.S. Commerce Department and the Center for Global Development, and Brookings Institute will sit down with us and map out 1) a process for exchange of information on best practices and 2) an independent third party evaluation process. This should ensure that the funds the Congress appropriates and the purposes set out in H.R. 3351 are used well and leveraged with the best information available from throughout the world.

Thank you for allowing AFN to testify today. We stand ready to work with you to better life opportunities for Native Americans. Thank you for your dedication and hard work on behalf of our people.

Attachments:

(1) 2007 AFN Convention resolution of support of the Native American Challenge Demonstration Project of 2007
(2) AFN commissioned report on results-based management (OMB, ADB, ROMA process)
(3) AFN commissioned report: Executive Summary of the 30-Yr Trend Analysis
(4) Engaging Community Knowledge to Measure Progress: Rural Development Performance Measures Project Report, September 2007 First Alaskans Institute report to the Denali Commission

[NOTE: The attachments submitted for the record have been retained in the Committee's official files.]

The CHAIRMAN. Nelson?

STATEMENT OF NELSON N. ANGAPAK, SR., VICE PRESIDENT, ALASKA FEDERATION OF NATIVES

Mr. ANGAPAK. Good afternoon, Mr. Chairman, Congressman Young. My name is Nelson Angapak, Vice President, Alaska Federation of Natives.

I am a veteran. I served in the U.S. Army from 1969 to 1971, and I was honorably discharged. Mr. Chairman, I think it is very appropriate that this hearing is taking place the Wednesday after the Sunday in which this nation recognized and honored its veterans.

Mr. Chairman, let me quote the President when he was honoring fallen members of our troops. He said: In their sorrow these families need to know and families all across our nation of the fallen need to know that your loved ones served a cause that is good and just and noble. As their Commander in Chief, I make you this promise. Their sacrifice will not be in vain.

Mr. Chairman, I was very disappointed to hear an agent of this nation seemingly speak out against what the President was saying. Tributes to veterans, Mr Chairman, are timeless. They transcend time.

At the outset, Mr. Chairman, let me say that historically it has been recorded that the American Indians and Alaska Natives on a per capita basis have the greatest number of their membership serving in U.S. armed forces. During the Vietnam War, we had 42,000 American Indians and Alaska Natives serving in the battlefields of southeast Asia. Ninety percent—90 percent—of the 42,000 were volunteers.

Mr. Chairman, pursuant to the existing statute, approximately 1,110 Alaska Natives became eligible to apply for allotments, of which 741 applied for allotments. Of that, 10 allotments have been

certified. Since the passage of the statute that authorized our veterans to apply for allotments in 1998, 10 allotments certified.

You know, Mr. Chairman, when you passed that statute I believe Congress had good intentions in its passage, and in my heart I still believe that Congress had good intentions in its passage. That is why there is a need to amend our existing statute. We need to expand the land base for veterans' allotments under the existing law to include all vacant public lands in Alaska.

Two, please consider amending the statute in such a manner that the veterans living in southeast Alaska, south central Alaska and north slope rural need an opportunity to apply for allotments. We have the largest concentration of Alaska Native veterans in southeast, in south central Alaska, and all of their allotment applications were turned down because of the existence of the national forest.

All we are seeking, Mr. Chairman, is an equitable treatment of our veterans with an opportunity to apply for allotments. We are also asking that because of so few allotments being certified that Congress consider a legislative approval process to Alaska Native veteran allotments. We also propose, Mr. Chairman, that the heirs of a deceased veteran be able to apply for allotments on behalf of the fallen.

Mr. Chairman, we are hopeful that your committee will be passing this bill. The state Native Committee supports it. The Alaska state legislature passed a joint resolution urging Congress to pass this legislation.

Mr. Chairman, I thank you for giving me an opportunity to submit this statement, and I request that my oral and my written statement be incorporated into the record.

Thank you.

[The prepared statement of Mr. Angapak follows:]

Statement of Nelson N. Angapak, Sr., Vice President, Alaska Federation of Natives, on H.R. 3350

Introduction

Good morning Mr. Chairman Rahall, Honorable Don Young of Alaska, Honorable members of the U.S. House Natural Resources Committee, ladies and gentlemen:

For the record, my name is Nelson N. Angapak, Sr., Vice President, Alaska Federation of Natives (AFN). For your information, AFN is a statewide Native organization formed in 1966 to represent Alaska's 100,000+ Eskimos, Indians and Aleuts on concerns and issues affecting their rights and property interests. I am a veteran and I served in active duty in the U.S. Army from 1969 to 1971; I was honorably discharged.

On behalf of AFN, its Board of Directors and membership, thank you very much for inviting AFN to submit its statement to the Committee on H.R. 3350, "Alaska Native Veterans Land Allotment Equity Act;" a bill that would authorize the honorably discharged Alaska Native veterans of the "Nam Conflict." It is a privilege and honor to testify before your Committee. I ask that this written statement and my oral comments be incorporated into the record of this public hearing. I also ask that the record of this public hearing on H.R. 3350 be kept open for two weeks following the hearing to give the Alaska Native veterans of the "Nam Conflict" and other interested parties an opportunity to submit written statements.

I want to take this opportunity to thank you and the U.S. House Natural Resources Committee for having worked with AFN and the Alaska Native Community during the past millennium on issues of concern to AFN and the Alaska Native Community. During the last millennium, U.S. Congress passed a series of historic legislation that benefited the Alaska Native Community. Some examples of such legislation include, but are not limited to: P.L. 92-203, the Alaska Native Claims Set-

tlement Act; Indian Child Welfare Act, the Indian Self-Determination Act, Title VIII of the Alaska National Interest Lands Conservation Act; just to name a few.

I would like to bring the following points to your attention up front:

1. As the 20th century closes, there are nearly 190,000 Native American military veterans. It is well recognized that, historically, Native Americans including Alaska Natives, have the highest record of service per capita when compared to other ethnic groups. The reasons behind this disproportionate contribution are complex and deeply rooted in traditional American Indian culture. In many respects, Native Americans are no different from others who volunteer for military service. They do, however, have distinctive cultural values which drive them to serve their country. One such value is their proud warrior tradition. [1]
2. The outbreak of World War II brought Native American warriors back to the battlefield in defense of their homeland. Although now eligible for the draft by virtue of the Snyder Act, which gave citizenship to American Indians in 1924, conscription alone does not account for the disproportionate number of Native Americans who joined the armed services. More than 44,000 Native Americans, out of a total Native American population of less than 350,000, served with distinction between 1941 and 1945 in both the European and Pacific theaters of war. Native American men and women on the home front also showed an intense desire to serve their country, and were an integral part of the war effort. More than 40,000 Indian people left their reservations to work in ordnance depots, factories, and other war industries. Native Americans also invested more than $50 million in war bonds, and contributed generously to the Red Cross and the Army and Navy Relief societies. [2]
3. The Native American's strong sense of patriotism and courage emerged once again during the Vietnam era. More than 42,000 Native Americans, more than 90 percent of them volunteers, fought in Vietnam. Native American contributions in United States military combat continued in the 1980s and 1990s as they served in Grenada, Panama, Somalia, and the Persian Gulf. [3]

Please note that these three points were excerpted from a website of the DEPARTMENT OF THE NAVY—NAVAL HISTORICAL CENTER; 805 KIDDER BREESE SE—WASHINGTON NAVY YARD; WASHINGTON DC 20374-5060. This is public information that is readily available for the people of the United Stated of America.

I believe in my heart that the intentions of Congress were honorable when it passed Section 41 of P. L. 105-276 in 1998, the Alaska Native Vietnam Veterans Allotment Act. I believed it then, and I still believe it now; Congress intended that Alaska Native veterans of the "Nam Conflict would have the opportunity to obtain allotments of land under the 1906 Alaska Native Allotment Act. Please note the following:

1. Under the 1998 law, approximately, 1,110 Alaska Natives who served in active duty in the U.S. Armed Forces and were honorably discharged would have become eligible to apply for Native allotments.
2. Of this number, according to Bureau of Land Management in Alaska, 741 Alaska Native veterans who met the terms and conditions of this statute applied for Native Allotments in good faith.
3. To date, only ten veteran allotments have been certified. I applied for a Native allotment under the Act as I was one of the 1,110 veterans who met the terms and conditions of this statute; to date, I do not have a certified allotment. During the public hearing process for the existing statute, I disclosed to this committee that I could be a beneficiary of this law if it became a statute.

Many disillusioned Alaska Native veterans who served in active duty in the U.S. Armed Forces from January 1, 1969 to December 18, 1971, who applied for allotments were rejected because they did not meet the strict criteria of existing law. I think they must still have faith in Congress because they eagerly await the passage of H.R. 3350. However, they do ask me "what were the intentions of Congress when they passed this law that gives us nothing but empty promises. I've told them that I feel the intentions of Congress were honorable in 1998 and I still feel that way; but how do I answer all those Alaska Native veterans of the "Nam Conflict who wonder why they were left out?

AFN Supports the Passage of H.R. 3350

AFN lobbied for the reopening of the Native Allotment Act of May 17, 1906 for the Alaska Native veterans who were unable to apply for Native Allotments because

[1] http://www.history.navy.mil/faqs/faq61-1.htm
[2] Ibid
[3] Ibid

they were serving in active duty in the U.S. Armed Forces of this nation over seas. Congress corrected this oversight by the inclusion of Section 41 of P.L. 105-276 and AFN thanks you for having the courage to act affirmatively on this by authorizing those of us who served in active duty in the U.S. Armed Forces to apply for Native Allotments if we served for at least six months of active duty during the period January 1, 1969 to December 31, 1971.

Historically, Alaska Natives and American Indians have, on a per capita basis, served in greater numbers than any other group in active duty in the U.S. Armed Forces; and in particular, during the major military conflicts of this nation. The Honorable George W. Bush, President of the United States of America referenced this fact during one of his stop overs in Anchorage, Alaska, on his way overseas; AFN thanks President Bush for the public recognition of this fact.

Alaska Natives Support the Passage of H.R. 3350

Attached to my statement, please find a copy of a resolution that was considered and passed unanimously by the 2,500 delegates to the 2007 Annual Convention of the Alaska Federation of Natives. The unanimous passage of AFN Convention Resolution 07-06 "A RESOLUTION OF CONTINUED SUPPORT OF AMENDING THE ALASKA NATIVE ALLOTMENT ACT AND THE ALASKA NATIVE VIETNAM VETERANS ALLOTMENT ACT" demonstrates that there is a very strong statewide support for the passage of this legislation.

Please note the following resolves of this resolution:

NOW THEREFORE BE IT RESOLVED by the Delegates to the 2007 Annual Convention of the Alaska Federation of Natives, Inc., that AFN requests the Alaska Congressional Delegation to introduce legislation to amend the Alaska Native Allotment Act of 1998, and the Alaska Native Vietnam Veterans Allotment Act in order to allow more Native allotments for Native Vietnam veterans and to take actions that would move such legislation forward to a vote in 2008.

BE IT FURTHER RESOLVED that AFN 2007 Delegates unanimously support the passage of all Alaska Native Vietnam Veteran Allotment for adjudication on Tongass/NPRA lands under the applicants of the Alaska Native Vietnam who has applied under the provisional Allotment Act of 1906.[4]

The Alaska State Legislature Supports the Passage of Legislation Leading to Native Allotments for the Alaska Native Veterans of the "Nam Era"

In support of more Native allotments in Alaska, the Alaska State Legislature, in 2006, unanimously passed House Joint Resolution 27 HJR 27 which urges the United States Congress to pass legislation amending the Alaska Native Vietnam Veterans Allotment Act to allow deserving veterans to obtain allotments of vacant federal land within the State of Alaska; and to reopen and legislatively approve allotments in the Tongass National Forest that were previously rejected. A copy of HJR 27 is attached to my statement. Also attached is the statement of John Coghill, Jr, sponsor of HJR 27, which demonstrates the strong support of all Alaskans for providing more allotments for Alaska Natives.

The Need for the Enactment of H.R. 3350

AFN, working in conjunction with the Alaska Legal Services, identified the major obstacles which made it difficult for the Alaska Native Veterans of the "Nam Era" to apply for and receive their Native Allotments. These are identified as follows in summary:

1. Alaska Native veterans can only apply for land that was vacant, unappropriated, and unreserved when their use commenced.
2. Lands within national forests are not available for veteran allotments nor are federal lands designated as Conservation System Units (CSUs) available for veteran allotments unless the CSU managers approve.
3. Alaska Native veterans can only apply if they served in active military duty from January 1, 1969 to December 31, 1971 (even though the Vietnam conflict began August 5, 1964 and ended May 7, 1975).
4. Alaska Native veterans must prove they used the land (applied for in their native allotment application) in a substantially continuous and independent manner, at least potentially exclusive of others, for five or more years.
5. The heirs of deceased veterans are not eligible for veteran allotments except in the limited situations where the veteran was killed in action, died from a war related injury, or died while a prisoner of war.

As a result of these obstacles, as I stated in my opening remarks, of the approximately 741 veteran applications filed, only 10 veteran allotments have been cer-

[4] AFN Convention Resolution 07-06, copy attached to this statement

tified. AFN believes that Congress did not intend such an outcome. AFN supports amending Section 41 of P.L. 105-276 so that the original intent of this statute can be fulfilled.

AFN proposes the following:

1. Expand the land available for veteran allotments under existing law (P.L. 105-276): P.L. 105-276 mandates that the Alaska Native Veterans of the "Nam Era" can only apply for lands that are vacant, unappropriated, and unreserved lands. As you know, almost all the lands in Alaska are appropriated and reserved; and in particular, after the enactment of the Alaska National Interest Lands Conservation Act. AFN proposes that the Alaska Native veterans be allowed to apply for Native Allotments on unoccupied public lands in Alaska. Expanding the land base in this manner will increase the land base from which veterans can apply for as Native Allotments.
2. Allow veteran allotments in the national forests: All veterans in southeast Alaska are excluded from obtaining allotments under the national forest exclusion expressed in P.L. 105-276. Since the only federal land in southeast Alaska is national forest land, and the largest concentration of Alaska Native veterans reside in southeast Alaska, the existing law unfairly excludes many deserving veterans. AFN recommends that Congress remove the national forest exclusion. Doing so will remove the most bizarre and unfair obstacle faced by Alaska Native veterans in their quest for allotments.
3. Expand the dates for eligibility for a veteran allotment: Current law unfairly excludes many deserving veterans even though they honorably served their country during the "Vietnam era." Eligibility for a veteran allotment now requires that the veteran have served at least six months between January 1, 1969 and June 2, 1971 or was enlisted or drafted after June 2, 1971, but before December 3, 1971. However, this nation recognizes by law and policy that the "Vietnam Era Conflict" extended from August 5, 1964, to May 7, 1975. Eligibility for a veteran allotment should apply the same dates. Therefore, AFN recommends that the Alaska Native Veteran allotment qualifying dates be expanded to the entire Vietnam era; from August 5, 1964 to May 7, 1975.
4. Apply legislative approval process to Alaska Native Veterans allotments: To be qualified for an allotment a veteran must now meet the extensive use and occupancy requirements of the Alaska Native Allotment Act of 1906, as amended. This means that Veteran applicants must now prove substantially continuous use and occupancy of the land for a period of five years that is potentially exclusive of others. This requirement has proven to be costly, often requiring a fact finding hearing. Legislative approval, made available to applicants of allotments under the Alaska Native Allotment Act of 1906, saves time and money because it eliminates administrative adjudication of use and occupancy.
5. Allow the heir(s) of a deceased veteran to apply for a veteran allotment: The heirs of veterans who died subsequent to their military service but before the veteran allotment application period opened were not able to apply for a veteran allotment even though the deceased veteran would have otherwise been qualified. AFN recommends that heirs of veterans who died subsequent to qualifying military service be allowed to apply for an allotment on behalf of the estate of the deceased veteran.

Best Kept Secret

In its May 19, 2002, issue, The Anchorage Daily News printed a story on the Native Allotment Act of May 17, 1906 and I quote:

> "On May 17, 1906, a law went into effect that has been described by one legal specialist as "the best-kept secret the government has ever had." That was Alaska Legal Services attorney Carol Yeatman's description of the Native Allotment Act, which was originally enacted to provide up to 160 acres of land to individual Alaska Natives.
>
> "Although virtually all Alaska Natives were eligible to apply for land that had been used by their families and other relatives for subsistence purposes for generations, in the first 64 years of the Act, only 245 allotments were approved, according to Alaska Legal Services. Most Natives were unaware of the law, and between language barriers and government red tape, those who did apply for an allotment often faced literally decades of waiting."[5]

AFN urges Congress to amend the Alaska Native Allotment Act and the Alaska Native Vietnam Veterans' Allotment Act to allow more Alaska Native Vietnam veterans to apply for and receive their Native Allotments.

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[5] May 19, 2002 Edition of Anchorage Daily News

Thank you for inviting me to submit this statement; if you have any questions on my statement, I can field them at your call.

ALASKA FEDERATION OF NATIVES

2007 ANNUAL CONVENTION

RESOLUTION 07-06

TITLE: A RESOLUTION OF CONTINUED SUPPORT OF AMENDING THE ALASKA NATIVE ALLOTMENT ACT AND THE ALASKA NATIVE VIETNAM VETERANS ALLOTMENT ACT

WHEREAS: The Alaska Federation of Natives continues to support the rights of Alaska Tribal citizens to receive title to land under the 1906 Alaska Native Allotment Act and the 1998 Alaska Native Vietnam Veterans Allotment Act; and

WHEREAS: The Tribal working group consisting of 150 federally recognized Tribal governments and nonprofit organizations in Alaska, including Sitka Tribe, Yakutat Tlingit Tribe, Chilkat Indian Village, Central Council of Tlingit and Haida Indian Tribes, Inupiat Community of the Arctic North Slope, Association of Village Council Presidents, Tanana Chiefs Conference, Alaska Realty Consortium, Maniilaq Association, Bristol Bay Native Association, Kawerak, Inc., and Alaska Federation of Natives, Alaska Inter-Tribal Council, and Alaska Legal Services Corporation, have drafted technical amendments to allow more Alaska Native Vietnam veterans to apply for and receive native allotments and to reopen allotment cases rejected and closed under the decision in Shields v. United States, 698 F.2d 987 (9th Cir. 1983); and

WHEREAS: The amendments to the Alaska Native Vietnam Veterans Allotment Act of 1998, are necessary because this law contains too many restrictions that very few veterans are eligible and under the current Act very little land in Alaska is available to veterans; and

WHEREAS: The amendments to reopen the allotments closed under the decision in Shields is necessary to rectify the unfair distribution of allotments in Southeast Alaska that resulted because of the rule that applicants must personally use the allotment land when most of the land in southeast Alaska was withdrawn by 1909 for the Tongass National Forest which encompasses almost 17 million acres; and

WHEREAS: Legislation amending the Alaska Native Vietnam Veterans Allotment Act was introduced in 2007 into the U.S. House of Representatives as H.R. 3350 but this legislation does not include reopening the allotments closed under Shields and no similar legislation has been introduced into the U.S. Senate; and

WHEREAS: The Alaska State Legislature unanimously voiced its support of amending the Alaska Native Vietnam Veterans Allotment Act and reopening the Shields allotments with House Joint Resolution number 27 which passed and was sent to Congress in 2006; and

NOW THEREFORE BE IT RESOLVED by the Delegates to the 2007 Annual Convention of the Alaska Federation of Natives, Inc., that AFN requests the Alaska Congressional Delegation to introduce legislation to amend the Alaska Native Allotment Act of 1998, and the Alaska Native Vietnam Veterans Allotment Act in order to allow more Native allotments for Native Vietnam veterans and to take actions that would move such legislation forward to a vote in 2008.

BE IT FURTHER RESOLVED that AFN 2007 Delegates unanimously support the passage of all Alaska Native Vietnam Veteran Allotment for adjudication on Tongass/NPRA lands under the applicants of the Alaska Native Vietnam who has applied under the provisional Allotment Act of 1906.

SUBMITTED BY: AFN BOARD OF DIRECTORS

CONVENTION ACTION: PASSED AS AMENDED.

The CHAIRMAN. Thank you very much.

I will recognize the Ranking Member, Mr. Young, first.

Mr. YOUNG. Thank you. I want to thank the panel for their testimony.

I would not have introduced these bills if I did not believe with all my heart they were justified, as each one of you believe they are correct.

Stephanie, I am a little bit concerned because you heard the agency's testimony. They oppose it because they have all kinds of different reasons it upsets. You agreed to be a group instead of being recognized as a village, yada, yada, yada.

Am I correct? Where were the hearings held for Alexander Creek?

Ms. THOMPSON. In Anchorage.

Mr. YOUNG. In Anchorage. How far away is Alexander Creek from Anchorage?

Ms. THOMPSON. Twenty-seven miles northwest.

Mr. YOUNG. Twenty-seven miles?

Ms. THOMPSON. Right below Mt. Susitna.

Mr. YOUNG. And it is across water, is it not?

Ms. THOMPSON. Across Cook Inlet, and the people there were never notified.

Mr. YOUNG. They were never notified. You have that documented?

Ms. THOMPSON. We have that documented and then we petitioned them to reopen and they refused. That is how we——

Mr. YOUNG. They being the BLM?

Ms. THOMPSON. The ANCAB. We petitioned them to reopen for——

Mr. YOUNG. Repeat that. What does that stand for?

Ms. THOMPSON. Alaska Native Appeals Claims.

Mr. YOUNG. OK. But that was under the BLM?

Ms. THOMPSON. Appeal Board.

Mr. YOUNG. That was under the BLM?

Ms. THOMPSON. I believe so, yes.

Mr. YOUNG. Mr. Chairman, I am trying to get across this is a village. It was recognized as a village and then, because they didn't quite get all 36 or 30, whatever they had to do—they had 22 witnesses. They said it is not a village anymore.

You were offered a choice of being recognized as a group or nothing? Is that correct?

Ms. THOMPSON. That is correct.

Mr. YOUNG. All right. Now, you guys wonder why this is a frustrating job. You fly all this way, and we have a bunch of stupid votes coming up right now. All right. I think that is it, I hope.

You have talked to Mat-Su Valley. They do not object. Is that correct?

Ms. THOMPSON. Yes. We have resolutions from the Mat-Su Valley, letters of support from the State of Alaska. We have resolutions from the Cook Inlet Region Villages. We have letters of support from Cook Inlet Region themselves.

It has taken us awhile—it has been a long path—to get those and work with them. They all support us.

Mr. YOUNG. OK. AFN?

Ms. THOMPSON. AFN also.

Mr. YOUNG. OK. And what I am leading up to is that the only people that object to this is in fact the BLM?

Ms. THOMPSON. Correct.

Mr. YOUNG. Which is an agency which did not fulfill their obligations to the village when it recognized the village in the first enroll-

ment and then disrecognized them, was given an ultimatum. Very frankly, I don't think your people knew what they were doing.

Ms. THOMPSON. They didn't.

Mr. YOUNG. They did not know that.

Mr. Chairman, we have a state of 365 million acres in the State of Alaska. There are only 44 million acres of Native land. The villages were guaranteed that land, the 44 million acres of land. Right now the people who object to it are those that have Federal control of it, which frustrates me.

The question of the letter from Cook Inlet. I was a little bit surprised also because the last time I heard that they did support it—in fact, they were bugging me to get this thing done, and then we got this letter. You have hashed that out now?

Ms. THOMPSON. We have hashed it out. What we had is we had new language that has not yet been circulated to this committee that we were still working on. They had gotten a hold of that language and had some concerns and hadn't been able to get a hold of our people, so they put their concerns there.

We immediately got a hold of them. We were able to work together and resolve those concerns and now look forward to working together with them.

Mr. YOUNG. All right.

Ms. THOMPSON. I also wanted to make a point. Up to this day, Alexander Creek has only received 1,680 acres of land.

Mr. YOUNG. But they did receive that for the village, right?

Ms. THOMPSON. That is it. Yes.

Mr. YOUNG. And that is why if they received that for the village they should receive the full amount, which every village got.

Ms. THOMPSON. Yes.

Mr. YOUNG. That is what I don't understand is 1,000 acres.

Nelson, good presentation. You heard again the agency opposing this. I couldn't understand what their objection was. They said it would divide the Native groups, the veterans. It is my understanding there is nobody who objects to what we are asking to do.

Mr. ANGAPAK. Mr. Chairman, from the standpoint of the Native community, in our recent AFN convention there was a resolution passed, unanimously passed by the delegates to the AFN convention supporting the passage of this bill. There is no opposition from the Alaska Native community insofar as this bill is concerned.

Mr. YOUNG. And you said there were only 10 of the 750 applicants have been accepted?

Mr. ANGAPAK. Mr. Chairman, 741 veterans applied for Native allotments. To date, only 10 have been certified. That is why we are seeking legislative approval of those allotments.

Mr. YOUNG. Of the ones that applied; just not the 10?

Mr. ANGAPAK. You are right.

Mr. YOUNG. Right. If all of them were to be agreed to, there would be 160,000 acres of land given to individuals out of 365 million.

I agree, Mr Chairman, with Nelson. These are veterans who were in Vietnam and didn't have the opportunity to file for an allotment prior to the closure of the Enactment Act, which passed in 1906. They closed it down I believe in 1998.

Mr. ANGAPAK. Mr. Chairman, Section 18 of the Alaska Native Claims Settlement Act and the ability of the Alaska Natives to apply for allotments. As you stated, a great majority or many of our veterans were overseas defending this nation and were not given the opportunity to apply for those allotments.

Mr. YOUNG. All right. Mr. Chairman, if I may, this is a bill we passed once in 1998, and we thought we were doing the right thing.

Again, as I said in my opening statement, the biggest opponents to anything we do for the Alaska Natives is the government itself, which is supposed to be part of the trust responsibility. Every time we turn around, any type of allotment, they object to it. I can go on through the line, but that is the reason that this bill should be passed.

Julie and Paul both, on this Millennium you are just asking for authorization in this bill? Because we don't have any appropriation authority.

Ms. KITKA. Yes. No, we are just asking for authorization in this bill.

Mr. YOUNG. I have to say, the reason at point I handed this to the Chairman, just in southeast Alaska we have an average rate of unemployment in southeast Alaska of 62 percent. Around the state I am not exactly sure how high it is, but it is quite high.

Like you say, although progress has been made something like this could probably—Paul, you have been around—expedite the ability to increase the monetary goal, as well as the standard of living in these villages primarily.

Paul, if you can just comment, and then I will shut up. I didn't tell you to shut up. I said I will shut up.

Mr. APPLEGARTH. You certainly don't need to shut up.

Mr. YOUNG. Yes.

Mr. APPLEGARTH. These programs are really built on lessons of 50 years of foreign aid, what has worked and what hasn't worked. One of the most important things that works is ownership by the beneficiaries.

This is really to demonstrate how you translate that domestically where the potential beneficiaries decide what the priorities are. They set the goals, how they are going to be measured, and then take ownership of the actual implementation, so your building capacity.

You are really having a long-term, sustainable effect on poverty reduction and sustainable growth, so you are going to have the kind of impact you talked about in the target areas here.

Mr. YOUNG. Mr. Chairman, unless someone wants to comment from the panel, I don't have any further questions at this time. Anybody? Julie?

Ms. KITKA. Mr. Chairman, Congressman Young, I just wanted to clarify.

Even though my testimony was just on H.R. 3351, the Alaska Federation of Natives supports each one of the bills that is on the agenda for the hearing.

Mr. YOUNG. Thank you, Julie, because that is what I was concerned. I kept hearing from the Administration that the Natives disagree with that, da-da-da-da.

One of the premises we have had is this has been communicated with all the different groups and it is supported by AFN. You know, to have an agency come in and say well, it will divide, it will separate out people, and I don't know if you have a copy of the testimony. Read what they say.

I can take this back 30 years and just insert a different date, and it will be the exact same testimony from the same agency. That, you know, just frustrates the daylights out of me because they are not looking at the issue and the justice of the issues. They are just looking at what their pat answer is from the agency. They have no imagination at all. They say no to everything.

Mr. Chairman, I have no further questions.

The CHAIRMAN. Yes, sir?

Mr. ANGAPAK. Mr. Chairman, for the record I would like to request that if it is possible to keep the record of the hearing on H.R. 3350 open——

The CHAIRMAN. Yes.

Mr. ANGAPAK.—to give our veterans and other concerned citizens an opportunity to comment. Thank you very much.

The CHAIRMAN. Yes. As is normal practice, Nelson, the record will remain open for 10 days for any submission of materials the panel would like to submit.

Any other comments from the panel?

[No response.]

The CHAIRMAN. Again, we thank you.

Mr. YOUNG. We have to vote. We will come back. How many votes do we have?

The CHAIRMAN. Three this series.

Mr. YOUNG. So we will probably be back here maybe at 1:30?

The CHAIRMAN. Correct.

Mr. YOUNG. And then we will have the Sealaska panel put back on?

The CHAIRMAN. Correct.

Mr. YOUNG. OK. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

The Committee is in recess.

[Recess.]

The CHAIRMAN. The hearing will reconvene.

Our final panel is composed of Byron Mallott, board member of the Sealaska Corporation, accompanied by Chris McNeil, Jr., President and CEO of Sealaska Corporation; and Mr. Buck Lindekugel, Conservation Director of the Southeast Alaska Conservation Council, accompanied by Don Hernandez of Pt. Baker, Alaska.

Gentlemen, we welcome you to the Committee. We appreciate your traveling as you have to be here. You may proceed in the order I announced.

Mr. Young, do you wish to make any comments?

Mr. YOUNG. No.

The CHAIRMAN. OK.

STATEMENT OF BYRON MALLOTT, BOARD MEMBER, SEALASKA CORPORATION, ACCOMPANIED BY CHRIS McNEIL, JR., PRESIDENT AND CHIEF EXECUTIVE OFFICER, SEALASKA CORPORATION

Mr. MALLOTT. Thank you, Mr. Chairman, Congressman Young, Members of the Committee.

H.R. 3560 is all about finalizing the land claims settlement in southeast Alaska. We received—that is Sealaska Corporation received—just one percent of the lands that were made available to settle land claims while having some 20 percent of the population of the Alaska Native community at the time of settlement.

Thirty some years have passed, and we are seeking to finalize our land selections within our region. We have made an effort to be responsive to not just the land claims that drive this process and that bring us to where we are today, but to try to be responsive to more broad public policy needs within the Tongass National Forest, and thus we seek to select lands outside of the circumscribed withdrawal areas authorized by the Alaska Native Claims Settlement Act.

We also have emphasized and seek to select some 270 plus sacred sites within the region, some 276 sacred sites of more than 1,000 that we have identified. We seek to do that as part of this bill because some 30 years after our initial selections we find that what we thought would happen—that is, there would be protection of these sacred sites if they remained within Federal jurisdiction; that that has not been the case.

We have seen where sacred sites have been used as objects of tourism, certainly as objects of curiosity. Some have been desecrated and so this added emphasis on acquiring those sites in Native ownership as opposed to continuing Federal jurisdiction.

We have also tried to be responsive to public policy needs by having very small, restricted sites selected for nonconsumptive economic enterprise within the region that allows us to again select outside withdrawal areas in order to hopefully attract very modest, nonconsumptive economic enterprise to places near our villages.

Sealaska as a region and as a people encompass over a dozen villages within our region. I want to emphasize also that Sealaska as an institution, Sealaska Corporation, is an economic development tool. Since passage of the Land Claims Settlement Act and the selection of lands within our region, Sealaska has shared over $300 million with other regions throughout the state in order to assist them in meeting the economic and social public policy purposes of the Alaska Native Claims Settlement Act.

This bill more than anything else is about who we are as Native peoples, and what we find again 30 years after the passage of the Alaska Native Claims Settlement Act is that we have learned many lessons. The key lesson is that we continually need to remind those who manage public lands within the Tongass, those who create policy and regulatory regimes within the Tongass National Forest, that this is a native place.

It is the home of the Tlingit, Haida and Tsimshian peoples; that we desire to be both productive citizens of the forest, but at the same time we want our nativeness to be recognized and respected and hopefully ultimately celebrated.

Mr. Chairman, I believe personally very strongly that if a century from now we look back on the Tongass Forest and although we may have protected critical lands, critical resources, critical habitats within the forest, which we as Native people support, as well as other citizens of the United States, but if the people are not there, the first peoples of the Tongass are not there, that public policy will be regarded by history as a failure.

We do not want that to happen. We don't think that the Congress of the United States or the people of the United States want that to happen either and so we come before you wanting to meet the obligations and the responsibilities we have to our shareholders; not just the shareholders in the corporation, but as Native peoples of the region with more flexibility, with more forward thinking than otherwise might be the case.

We could take our selections from within the existing ANCSA withdrawal areas and it would put us hard upon intact watersheds, roadless areas, old growth resources and a very arbitrary sort of selection process. We have tried to avoid that, having for many years engaged in conversations with the environmental community, with the U.S. Forest Service, with our own people obviously, but with other users and those with a consuming interest in the Tongass.

We hope that this bill presents an opportunity to continue that process, to be good citizens of the forest, but we also want this bill, Mr. Chairman, to recognize who we are as Native peoples, the first peoples of the forest who are trying to meet a cherished and almost spiritual obligation to our own peoples.

Thank you very much.

[The prepared statement of Mr. Mallott follows:]

Statement of Byron Mallott, Board Member, Sealaska Corporation

Mr. Chairman and Members of the Committee:

My name is Byron Mallott, and I am a Board Member for Sealaska Corporation, as well as a former President and CEO. I am from Yakutat, Alaska, and I am Shaadei-ha-ni (Clan Leader) of the Kwaashk'i Kwáan. My Tlingit name is K'oo deel taa.a. Accompanying me today at the witness table, to help answer questions, is Chris McNeil, the President and CEO of Sealaska. In the audience, we also have additional Sealaska Board Members—Dr. Rosita Worl; and Clarence Jackson of Kake, Alaska.

Thank you for the opportunity to testify on behalf of Sealaska Corporation regarding H.R. 3560, the "Southeast Alaska Native Land Entitlement Finalization Act," or what we refer to as Haa Aaní, which in Tlingit means "Our Land". Sealaska is the Alaska Native Regional Corporation for Southeast Alaska—one of 12 Regional Corporations established pursuant to the Alaska Native Claims Settlement Act ("ANCSA"). Our shareholders are descendants of the original inhabitants of Southeast Alaska—the Tlingit, Haida and Tsimshian people.

We provide significant economic opportunities for our shareholders and for the Southeast Alaska region through the development of our primary natural resource—timber. The profits from this development have allowed us to diversify our economic portfolio and to invest in cultural preservation, educational scholarships and internships for our shareholders and shareholder descendants. Through these efforts we have seen a resurgence of Native pride in our culture and language, most noticeable in our youth who are constantly defining what it means to be native today. Our scholarships, internships and mentoring efforts have been successful beyond our wildest dreams, with our corporate shareholder employment at 85 % and shareholders filling the most senior positions in our corporation. None of this would have been possible without the passage of ANCSA, which, in some ways, remains a promise unfulfilled.

Congress enacted ANCSA in 1971 to recognize and settle the aboriginal claims of Alaska Natives to the lands that we have used since time immemorial for traditional, cultural, and spiritual purposes. ANCSA allocated 44 million acres of land

to Alaska's Native people, to be allocated among and managed by the 12 Alaska Native Regional Corporations and more than 200 Village Corporations. Although ANCSA declared that the land settlement "should be accomplished rapidly, with certainty [and] conformity with the real economic and social needs of [Alaska] Natives," it has now been more than 35 years since the passage of ANCSA and Sealaska has not yet received conveyance of its full land entitlement.

Sealaska asks your support for the enactment of H.R. 3560 because it:

- provides some finality regarding its ANCSA land entitlement;
- will redress inequitable limitations on Sealaska's land selections by allowing it to select its remaining land entitlement from designated federal land outside of designated withdrawal areas;
- allows for Alaska Native ownership of sites with sacred, cultural, and historical significance to the Alaska Natives of Southeast Alaska;
- creates the opportunity for Sealaska to maintain a sustainable economy and to further economic and employment opportunities for Sealaska shareholders;
- provides a platform for Sealaska to contribute to the Southeast Alaska economy, a region that is struggling overall, but especially in our rural Native villages; and
- provides real conservation benefits in the region.

In sum, the bill resolves the long outstanding Sealaska entitlement issues in a manner consistent with the Congressional objectives of ANCSA, and enables the federal government to complete its statutory obligation to the Natives of Southeast Alaska under ANCSA.

There is a compelling basis for this legislation to pass. First, the original ANCSA withdrawals demonstrated a lack of understanding of the geography of the region, and a series of congressional actions further undermined the quality of the lands that were available for selection by Sealaska. For example, over 44% of the area within the withdrawal areas is water. Second, there is no dispute that Sealaska has a remaining land entitlement. This legislation does not give Sealaska additional land beyond that already promised by Congress. Third and finally, Sealaska has attempted to work closely with industrial users, environmental organizations, Native institutions, and local communities to craft legislation that provides the best result for the people, communities and environment of Southeastern Alaska. One thing has become extremely clear in this effort—that every acre of Southeast Alaska is precious to someone. Moreover, what is important to one group is not important to another. Simply put, with the vast array of interests, there is no way to achieve a complete consensus on where and how Sealaska should select its remaining entitlement. We believe that this legislation offers a good solution, but we remain committed to work with everyone to refine the selections.

Our ANCSA Land Entitlement and Selection Limitations

ANCSA provides a land allocation to Sealaska pursuant to Section 14(h)(8) of the Act. Our right to this land entitlement is undisputed. The only question is "where" this land will come from. Our understanding of Bureau of Land Management projections for completion of 14(h)(8) is that there are between 65,000 and 85,000 acres of land remaining to be conveyed to Sealaska. ANCSA limits Sealaska land selections to withdrawal areas surrounding certain Native villages in Southeast Alaska. The problem is that there are no lands remaining in these withdrawal areas that meet Sealaska's traditional, cultural, or historic needs, and certain of those lands should more appropriately remain in public ownership. The remaining valuable timber areas within the selection areas are predominantly old growth and roadless areas with important public interest values. Large portions should remain undeveloped because of proximity to local communities or to subsistence resources; and much of the original withdrawal area would require Sealaska to construct additional logging roads, further diminishing the number of roadless acres in the region.

The current ANCSA selection limitations preclude Sealaska from using any of its remaining ANCSA land settlement to select places of sacred, cultural, traditional, and historic significance located outside the withdrawal areas that are critical to facilitate the perpetuation and preservation of Tlingit, Haida and Tsimshian culture and history. Moreover, selection from the withdrawal areas would not allow Sealaska to meet the purposes of ANCSA—to create continued economic opportunities for the Native people of Southeast Alaska.

Legislative Solution Provided by H.R. 3560

While the lands within the original withdrawal areas are inadequate to meet Sealaska's traditional, cultural, historic and socioeconomic needs, these lands are not without significant and important public interest value. For example, approximately 85 percent are classified by the United States Forest Service as designated

roadless areas. A significant portion is Productive Old-Growth forest, with over half of that being Old Growth Reserves as classified in the Tongass Land Management Plan. This legislation would allow these lands to remain in public ownership to be managed consistent with the Tongass Forest Plan.

The legislation would then allow Sealaska to select a portion of its remaining entitlement from an alternative pool of land, 77 percent of which is already roaded and mostly second-growth forest. Moreover, this legislation would allow Sealaska to use a portion of its entitlement to gain title to important cultural, historical, and recreational sites that are important to the preservation of Native history and culture, and to advance Native social and cultural programs. These sacred, cultural and historic sites are relatively small in size, but are invaluable to our people. Lastly, the legislation would allow Sealaska to select certain lands for purposes of Native enterprise, which is primarily for activities with limited land use impacts and would include cultural programs and small-scale tourism/eco-tourism, which would allow Sealaska to diversify its economic portfolio and provide job opportunities for its shareholders and other residents of Southeast Alaska.

This legislation does not address what Sealaska's final land entitlement will be, leaving the final iterations of the final acreage to the usual ANCSA section 14(h) processes. Sealaska at the urging of some Administration officials is, however, engaging in discussions with the appropriate parties to possibly develop a final acreage amount prior to final enactment of this legislation.

Benefits of the Legislation to Others

The benefits of this legislation extend far beyond Sealaska and its shareholders. Despite Sealaska's small land base in comparison to all other Regional Corporations, Sealaska has historically provided significant economic benefits to not only Sealaska Native shareholders, but also to the other Native Corporations throughout Alaska. Pursuant to a revenue sharing provision in ANCSA, Sealaska distributes considerable revenues derived from development of its timber resources—more than $300 million between 1971 and 2005—to the other Native Corporations. By making selections outside of the designated withdrawal areas, Sealaska will be able to sustain its resource development operations by acquiring a mix of mature and advanced second growth, enabling it to provide continued economic opportunities for the Native people of Southeast Alaska and economic benefits to the broader Alaska Native community through revenue sharing. For that reason, Sealaska has the support of the Alaska Federation of Natives, and the Tlingit and Haida Indian Tribes, among others.

The role of Sealaska in the Southeast Alaska economy is undisputed. Sealaska's timber operations provide significant positive economic impact to the region, including continued utilization of the timber harvesting sector and creation of jobs in some of the poorest rural Native communities in our region. For that reason, Sealaska has the support of the Alaska Forest Association and several Native villages in its efforts to complete its ANCSA land entitlement.

We also see a benefit to the conservation community through enactment of this legislation. In lieu of old growth, roadless areas in the original withdrawal areas, Sealaska would take a majority of its remaining entitlement from areas that are already roaded, with largely second-growth timber. Moreover, Sealaska would use nearly 9,000 acres of its remaining entitlement to gain title to sacred, historic, and cultural sites, and Native enterprise sites, on which there would be no commercial timber harvest. Southeast Alaska tribes, and Native Village and Urban Corporations have passed resolutions in support of this legislation because they recognize the need to preserve our sacred areas and culture, and to create local, sustainable, diversified economies. This legislation gives them the opportunity to join with Sealaska to do both.

Lastly, there will be a benefit to the federal government to finally complete the ANCSA land entitlement conveyances for the Native Regional Corporation for Southeast Alaska. This would give the Bureau of Land Management some finality and closure in the region. It would also allow give the Forest Service some finality in its land ownership and management in the Tongass National Forest because there would no longer be large portions of the forest encumbered by Native land selection rights.

Haa Aaní Sustainable Forest Management Program

At the core of Sealaska's land management is the perpetuation of a sustainable, well-managed forest to produce timber and to maintain forest ecological functions. Over 27% of Sealaska's classified forest lands are maintained in a natural state to protect fish habitat and water quality, to provide municipal drinking water and for protection of bald eagle nesting habitat. Our sustainable harvesting program will

continue into the future by implementing good forest management practices and by completion of our Haa Aaní land selections that will provide Sealaska with a mix of old growth and more mature second growth timber. Our harvesting program and investing in good forest management provides jobs for our shareholders and others in the region, and helps maintain the ecological values in our forests.

In asking for your support of this legislation we are taking a huge risk by foregoing assured revenue from the harvesting of old growth timber from the originally withdrawn lands. We are also removing nearly 9,000 acres from timber base by selecting cultural and enterprise sites subject to timber harvest restrictions. Our selections from which timber harvest would be allowed are primarily from second-growth forest stands with only emerging markets. We believe, however, that we are on the cusp of a significant paradigm shift in our forest management. We are committed to investing the time, money and hard work in progressive management of second growth stands, to capture alternative economies from forest management and to ensure that our place in the timber industry remains a sustainable, although realigned, component of the region's economy.

We are also creating alternative economies, revenues, and jobs from forest management strategies that include providing free enterprise markets for the purchase of ecological services. Moreover, we are monitoring developments related to climate change and carbon dioxide sequestration. In fact Sealaska testified just last week before the Senate Committee on Commerce, Science and Technology's Subcommittee on Science, Technology and Innovation, on the role of forest owners and opportunities for carbon sequestration in our forests.

Diversified Economies

This legislation would allow Sealaska to pursue more diversified economies and jobs for the communities in Southeast Alaska by preserving and sharing the richness of Southeast Alaska's natural and cultural history. The Sacred sites and the Enterprise sites offer a new opportunity for our region. It is not just the forest ecosystem, but the people it nourishes that defines the place. The declaration that this is a "Native" and "Scenic" place will ultimately protect it and proclaim its value to the world.

We are offering new ideas by selecting sacred and enterprise properties as part of an economic revitalization for our native and rural communities. With these new ideas, there are palpable concerns over the use and management of these sites. Sealaska would like to offer our principles for the use and management of these sites:

- **Sacred sites.** These sites will be selected and managed to ensure an active Native role in the preservation and celebration of the rich Native fabric and history of Southeast Alaska. The sites are purely for historic, cultural and anthropologic preservation, research and education.
- **Enterprise sites.** These sites will be selected and managed to promote recreational activities with little land use impacts, and for ecologically sensitive, non-consumptive uses to demonstrate the very best attributes of the Tongass Forest's beauty and spirituality, which will ultimately strengthen public support to protect this last great place and the people and their culture who make it unique among forests of the world.

Our Future in the Region

Our people have lived in the area that is now the Tongass National Forest since time immemorial. We will continue to live in this region because it is the heart of our history and culture. The Tongass is rich and diverse in cultural history, and there continue to be Native people here trying to live and survive in a subsistence and cash economy. We agree that areas of the region should be preserved, but also that our people have a right to pursue economic opportunities to survive in the world as it is today. This legislation is a sincere and open effort to meet both the interests of Alaska Native shareholders and the public. Sealaska believes that after full debate and close scrutiny, its aspirations to meet both its rightful land selection rights under ANCSA and the public interest in the Tongass will be recognized as both forward thinking and positive.

Lastly, it is important for all of us who live in the Tongass, as well as those who cherish the Tongass from afar, to recognize that the First Peoples of the Tongass—Tlingits, Haidas and Tsimshians—are committed to maintaining not just the flora, fauna and biological ecology of the Tongass, but to preserving this place as the land of our ancestors, with all that means in spirituality, values and beliefs. We have nowhere else to go and wish for no other place. The Tongass is our home. We, therefore, look forward to a reasoned, open, and respectful process as we attempt to finalize our ANCSA land entitlement.

Gunalchéesh. Thank you.

The CHAIRMAN. Thank you.

STATEMENT OF BUCK LINDEKUGEL, CONSERVATION DIRECTOR, SOUTHEAST ALASKA CONSERVATION COUNCIL, ACCOMPANIED BY DON HERNANDEZ, PT. BAKER, ALASKA

Mr. LINDEKUGEL. Good afternoon, Mr. Chairman. Congressman Young. My name is Buck Lindekugel, and I am the Conservation Director for the Southeast Alaska Conservation Council. Thank you for inviting SEACC to testify at today's hearing.

Accompanying me today is Don Hernandez from the community of Pt. Baker on North Prince of Wales. Mr. Hernandez will be available to assist me in answering any questions you may have.

Founded in 1970, SEACC is a grassroots coalition of 15 volunteer conservation groups made up of local citizens in 13 Alaska communities from Craig on Prince of Wales to Yakutat. SEACC is dedicated to preserving the integrity of southeast Alaska while providing for balance and sustainable uses of the region's resources.

We respect the efforts of Congressman Young to stand up for the interests of Alaska Natives throughout his tenure in the U.S. House of Representatives. Like Congressman Young and H.R. 3560's other distinguished co-sponsors, SEACC supports completing the conveyance of Sealaska's land entitlement under the Alaska Native Claims Settlement Act.

Nonetheless, we do not believe Sealaska Corporation is entitled to change the rules and cherry pick valuable public lands across southeast Alaska without the full involvement of affected interest.

The 22 pages of H.R. 3560 substantively change the way existing Federal laws, regulations and policies apply to the conveyance of Sealaska Corporation's remaining entitlement under the Settlement Act. Consequently, we oppose H.R. 3560 as introduced. We do remain committed, however, to maintaining an open dialogue with Sealaska Corporation, Congressman Young and the bill's co-sponsors to try and resolve our concerns.

Most importantly, we wish to emphasize that if Congress chooses not to act on this proposed legislation, Sealaska Corporation still gets all the land it is entitled to under the Settlement Act.

Sealaska Corporation may not like any of the 327,000 acres remaining available for selection from the Tongass that was withdrawn by Congress. It may not be able to make as much money from the remaining lands, and its shareholders still living in the affected villages may not want any more intensive logging on lands surrounding the villages. None of those factors, however, obligate Congress to give Sealaska a better deal now, 36 years after passage of the Settlement Act.

This legislative hearing is the first public process conducted relating to this proposal. Typically such a large land exchange would involve full disclosure of the action's effects on the environment, affected communities and individuals through the NEPA process. That process provides an opportunity for the affected public to inform themselves about the proposed action and fully participate in evaluating the action's effects.

I know Sealaska earlier tried to follow that path, and for some reason that was stopped. Whether it was the Federal government's lack of interest or a desire to speed the process up, we think it messes with the way of resolving this. It puts you guys in an unenviable position of making complicated decisions on such a proposal without the information that could be gathered to that public process.

With the Chair's permission, we request to submit a number of statements from affected communities and individuals who have learned about this bill that we have received over the past 10 days into the hearing record at this time.

The CHAIRMAN. Without objection.

Mr. LINDEKUGEL. Thank you, sir, and thank you for the opportunity to testify today.

I myself and Don would be happy to answer any questions that you may have.

[The prepared statement of Mr. Lindekugel follows:]

Statement of Buck Lindekugel, Conservation Director, Southeast Alaska Conservation Council

The Southeast Alaska Conservation Council (SEACC) submits the following statement regarding H.R. 3560, the Southeast Alaska Native Land Entitlement Finalization Act. SEACC respectfully requests that this written statement and accompanying material be entered into the official record of this Committee hearing.

Founded in 1970, SEACC is a grassroots coalition of 15 volunteer, non-profit conservation groups made up of local citizens in 13 Southeast Alaska communities that stretch from Craig on Prince of Wales Island north to Yakutat. Our individual members include commercial and sport fishermen, Alaska Natives, tourism and recreation business owners, small-scale high value-added wood product manufacturers, hunters and guides, and Southeast Alaskans from all walks of life. SEACC is dedicated to preserving the integrity of Southeast Alaska's unsurpassed natural environment while providing for balanced, sustainable uses of our region's resources.

Congressman Don Young, along with several distinguished colleagues, introduced H.R. 3560 on September 18, 2007. We respect the efforts of Congressman Young to stand up for the interests of Alaska Natives throughout his tenure in the U.S. House of Representatives. Like Congressman Young and H.R. 3560's other cosponsors, SEACC supports completing the conveyance of Sealaska Corporation's land entitlement under the Alaska Native Claims Settlement Act (ANCSA). Nonetheless, we have serious reservations about the changes in federal law proposed in H.R. 3560 and oppose the bill as introduced. We remain committed, however, to maintaining open lines of communication with Sealaska Corporation and the bill's sponsors to finalize the conveyance of Sealaska Corporation's outstanding statutory land entitlement. Consequently, we offer the Committee these preliminary comments for your consideration as you begin your review of this legislative proposal.

H.R. 3560's Proposed Findings and Purpose Tell Only Part of the Story.

The findings contained in section 2 of H.R. 3560 are drafted to imply that Congress treated Sealaska Corporation unfairly, unjustly, and inequitably from other regional Native corporations in Alaska. See also 153 Congressional Record E1913 (Sept. 18, 2007)(Congressman Young's introductory statement that "[t]his legislation will redress the inequitable treatment of the Native Regional Corporation for Southeast Alaska—Sealaska Corporation...."). We respectfully disagree and believe the bill's proposed findings and purpose tell only part of the story.

We recognize that the Native shareholders of Sealaska Corporation have long histories and traditions in Southeast Alaska. We further recognize the important benefits to Natives from owning lands important for customary and traditional (subsistence) uses and the significant cultural, economic, and social effects from development of village and regional Native corporation lands.

In ANCSA, Congress converted the communal, aboriginal claims of Alaska Natives into individual private property represented by shares of stock in over 200 Native regional, village, urban, and group corporations. See Case and Voluck, Alaska Natives and American Laws, 2d ed at 157 (2004). To accomplish this, Congress

awarded approximately $1 billion dollars and 44,000,000 acres of federal land in Alaska to the village and regional Native corporations.

Just like the other regional Native corporations, Sealaska Corporation's per capita share of lands under section 14(h)(8), 43 U.S.C. § 1613(h)(8), came from unselected lands withdrawn by Congress for that purpose. In Southeast Alaska, those lands were withdrawn from the Tongass National Forest around 10 qualifying Southeast Alaska Native villages. Sealaska Corporation received the right to more lands (a total of 354,389.33 acres) pursuant to section 14(h) than any of the other regional Native corporations, because Sealaska Corporation had more shareholders than any other region. See 70 Fed. Reg. 77179-180 (Dec. 29, 2005)(notice of decision allocating additional acreage to Native regional corporations in Alaska). In addition, just like other regional corporations, Congress granted Sealaska Corporation the subsurface (or mineral) estate in lands selected by qualifying Southeast Alaska village corporations. 43 U.S.C.A. § 1613(f).

Sealaska also benefited from a couple of significant advantages not enjoyed by the other regional corporations. First, although Alaska is rich in natural resources, those resources are not evenly distributed across all regions of the state. Fortunately for Sealaska Corporation, the southeast region has massive stands of old-growth forest in the world's greatest remaining temperate rainforest. Sealaska Corporation received over 220,000 acres of mature forest land, pursuant to section 14(h)(8) of ANCSA, from lands withdrawn from the Tongass National Forest. Sealaska Corporation's 14(h)(8) land selections have made it one of the largest private timber-owners in the State of Alaska.[1] Second, in addition to the wealth in land resources that Sealaska Corporation conveyed under ANCSA, it received more money—$93 million dollars—than any other regional corporation because it had more shareholders.

Since 1979, Sealaska Corporation has clearcut over 3.5 billion board feet of timber from its land and exported the vast majority of it out of state as raw, unprocessed logs.[2] Thus, although Sealaska Corporation received less than one percent (1%) of all the lands conveyed to village and regional corporations under ANCSA, it shared more than $300,000,000 in revenues with the other Native corporations in Alaska. See H.R. 3560, § 2(a)(8). To help put Sealaska Corporation's success in relative terms, the $300,000,000 is 42% of all the money contributed by all 13 regional native corporations under an ANCSA revenue sharing agreement.

H.R. 3560 Appears to Conflict with the Process Adopted in the Alaska Land Transfer Acceleration Act, Pub. Law 108-452, for Finalizing Regional Corporation Land Entitlements.

In 2004, Congress enacted a law to facilitate completion of the transfer of lands in Alaska pursuant to ANCSA, the Alaska Statehood Act, and other laws. See Alaska Lands Transfer Acceleration Act (ALTAA), Pub. Law 108-452, 118 STAT. 3575 (Dec. 10, 2004). Two provisions of this important law appear to conflict with the conveyances proposed in H.R. 3560 to finalize Sealaska Corporation's land entitlement under Section 14(h) of ANCSA.

Section 3(b)(2) of H.R. 3560 authorizes the conveyance of no more than 2,400 acres of 54 sacred, cultural, traditional, or historic sites from within existing withdrawal areas and another 198 sites outside the existing withdrawal areas. Yet, Section 204 of ALTAA, 118 STAT. 2584, froze the cemetery and historical place program under section 14(h)(1) of ANCSA to pending applications for sites eligible for conveyance. No information is provided in H.R. 3560 as to whether Sealaska Corporation had previously filed timely applications with BLM for the nearly 200 sites identified in Attachment B to H.R. 3560. It is also unclear whether BLM determined that the applications for the proposed sites were valid and eligible for conveyance to Sealaska Corporation, or the content of any comments from the Forest Service or National Park Service to BLM on the applications.

Section 205 of ALTAA, 118 STAT. 3585, amended Section 14(h)(8) of ANCSA to quantify the final acreage of lands to be distributed to the Regional Corporations under Section 14(h). This provision directed the Secretary of Interior to allocate to a Regional Corporation "as soon as practicable" its share of 200,000 acres "from land withdrawn under [section 14(h)(8)]." Now, three years later, Sealaska is asking Congress to reopen ANCSA to authorize selection of lands that were not withdrawn for that purpose. Why was the issue about whether it was appropriate for Sealaska to

[1] See ANCSA 1985 Study at III-54.

[2] See Sealaska Timber Corporation website at: http://www.sealaskatimber.com/About_STC.htm# and Sealaska News and Information website at: http://www.sealaska.com/aboutus_news_2003.htm (announcing receipt of the Governor's Exporter of the Year award).

select its remaining entitlement outside of the existing ANCSA withdrawals on the Tongass National Forest addressed during Congressional deliberations over ALTAA?

The Proposed Out-of-Withdrawal Selections for Economic Development Lands Target a Disproportionate Amount of the Most Ecologically Productive Lands in Southeast Alaska and Prince of Wales Island.

Pursuant to section 14(h)(8) of ANCSA, the U.S. Bureau of Land Management (BLM) has allocated about 310,000 acres for conveyance to Sealaska Corporation from lands withdrawn by Congress in 1971 from the Tongass National Forest. At this time, approximately 292,000 acres of this land entitlement have been conveyed to Sealaska.[3] Sealaska Corporation remaining entitlement under Section 14(h)(8) of ANCSA totals nearly 66,000 acres of land. 70 Fed. Reg. 77179-180 (Dec. 29, 2005). This figure includes the approximately 22,000 acres remaining unconveyed from BLM's earlier allocation, as well as Sealaska Corporation per capita share of an additional 200,000 acres from the 2 million acre pool of lands established by section 14(h) of ANCSA. BLM determined this

Under federal regulations, the regulatory deadline for Sealaska Corporation's applications for land selection under Section 14(h) occurred prior to BLM final allocation of available lands. See 43 C.F.R. § 2652.3 (BLM extended this deadline from December 18, 1975 to September 18, 1978). To protect itself against potential loss of selection opportunities, Sealaska applied for more land than it would probably receive: about 171,000 acres from the lands withdrawn by Congress in ANCSA. See supra, note 2. By making excessive overselections, Sealaska gained extra time to evaluate the relative economic potential of various tracts and then reprioritize their selections accordingly.[4] These 171,000 acres of overselections are included within the 327,000 acres of unselected but encumbered federal lands withdrawn from the Tongass National Forest by Congress for selections by village and regional corporations in Southeast Alaska.

As noted above, notwithstanding the difficulties in applying the formulas specified in ANCSA for determining withdrawal areas in Southeast Alaska (primarily the steep geography of coastal Alaska), in general the valuable commercial forest land available for selection by Sealaska Corporation allowed this corporation to obtain substantial income from these lands. Section 2(a)(9) of H.R. 3560 asserts that "[a]s a result of its small land entitlement" time is "critical" for Sealaska Corporation to complete its remaining land entitlement "under the Act." Yet, despite making previous overselections of lands with the areas withdrawn by Congress, it is not clear that Sealaska Corporation actually informed BLM which selections it wished to prioritize. Now, about 3 decades after overselecting available lands, Sealaska Corporation wishes to change the formula enacted by Congress and seeks different lands then previously approved by Congress.

A comparison of the lands Sealaska Corporation wishes to obtain under Section 3(b)(1) of H.R. 3560, and the 327,000 acres remaining available for the corporation to select the balance of its entitlement, is instructive. Nearly one-third of the 327,000 acres are muskeg or nonforested lands. While 85 percent of these lands are currently unroaded, they do not represent intact forested watersheds. Instead they are the generally those portions of selected watersheds above 800 feet in elevation, with the lower, more productive portions of the watershed already heavily cut by Sealaska Corporation. Only 9 percent of these lands are classified as big tree forests (stands of productive old growth (POG) with more than 30,000 board feet per acre). On the other hand, well over half of the lands within the pool of about 50,000 acres of out-of-withdrawal selections sought by Sealaska for intensive timber development are inventoried as big tree forests. These lands include some with the highest biological values represented by salmon, deer, black bears, large-tree old growth, marbled murrelets, and estuaries on the Tongass.[5]

The chart below, created using existing Forest Service data for Prince of Wales Island, shows that H.R. 3560 would authorize conveyance of over half of the remaining large tree POG on Prince of Wales Island to Sealaska Corporation.

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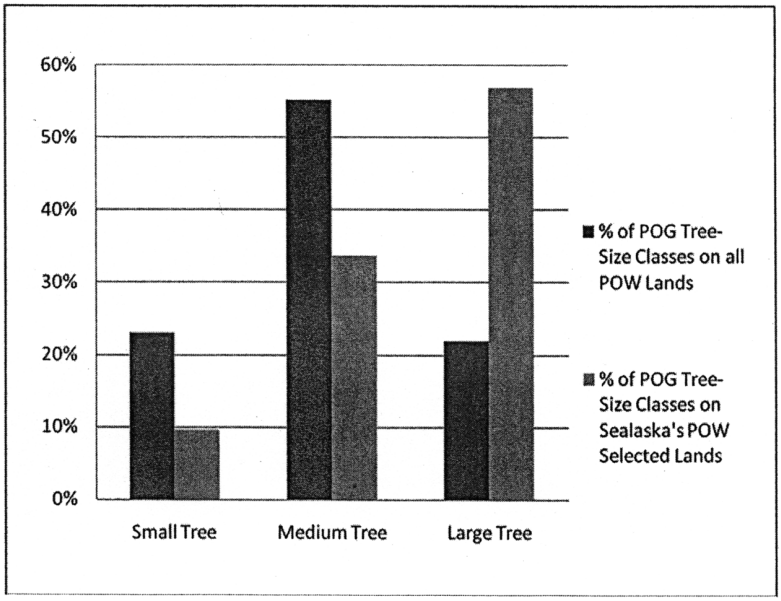
[3] 2007 USDA, Forest Service. Draft Environmental Impact Statement for Tongass Land Management Plan Amendment, EIS Appendix C at C-6.

[4] See ANCSA 1985 Study at III-50.

[5] Schoen, John and Erin Dovichin, eds. 2007. The coastal forests and mountain ecoregion of southeastern Alaska and the Tongass National Forest. Audubon Alaska and The Nature Conservancy, 715 L Street, Anchorage, Alaska. This complete report is available online at: http://conserveonline.org/workspaces/akcfm



The communities of Port Protection, Point Baker, and Edna Bay have strenuously objected to conveyance of any of the proposed "economic development" parcels on North Prince of Wales and Kosciusko Islands. These lands are important for subsistence and commercial uses for these communities. The community of Hydaburg has long fought to safeguard proposed "economic development" lands, which include Keete/Nutkwa and Kassa Inlets and Mabel Bay. These lands were designated as part of the Nutkwa Wilderness in the 1989 House-passed version of the Tongass Timber Reform Act but left out of the final compromise legislation in 1990. Hydaburg and SEACC have consistently advocated for long-term protection for these lands ever since.

The out-of-withdrawal selections targeted by Sealaska contain an extensive amount of extraordinary karst lands, including significant cave resources protected under the Federal Cave Resources Protection Act, on North Prince of Wales, Kosciusko, and Tuxekan Islands. Not only are these lands extremely productive, they are also important from paleontological, cultural, and geological/biological perspectives. For example, eleven (11) years ago, the Forest Service discovered human remains in On Your Knees cave on North Prince of Wales Island. DNA testing determined that these human remains were 10,300 years old. See Forest Service returns ancient human remains to Tlingit tribes, Juneau Empire (Oct. 21, 2007).[6]

Finally, H.R. 3560 gives away far more than just acres of land. It also gives away valuable expensive infrastructure in the form of Forest Service roads funded by U.S. tax payers.

Proposed Conveyance of Sacred, Cultural, Traditional, or Historic Sites in Conservation System Units.

Section 3(b)(2) of H.R. 3560 authorizes Sealaska Corporation to select as much as 3,600 acres of lands that qualify as sacred, cultural, traditional, or historic sites across the Tongass. Based on our review of the map accompanying the bill, multiple sites are located within Glacier Bay National Park and Klondike Gold Rush National Historical Park near Skagway. Other sites are located in areas designated as Wilderness and Legislated LUD II's on the Tongass, including the Admiralty Island National Monument Kootznoowoo Wilderness, South Baranof Wilderness, Tebenkof Bay Wilderness, Kuiu Wilderness, and South Prince of Wales Wilderness. Other sites are located in lands designated as Legislated LUD II areas by Congress in the 1990 Tongass Timber Reform Law to protect their wildland character, including the

[6]This story can be found on the web at http://www.juneauempire.com/stories/102107/loc__20071021021.shtml.

Berners Bay, Upper Hoonah Sound, and Nutkwa. No explanation is provided regarding why the conservation protections afforded by these designations are insufficient to safeguard the secrecy, solitude, and integrity of these sites. In addition, while Section 14(h) of ANCSA permitted selection of cultural and historical sites outside of the ANCSA withdrawal areas, such selections were limited to those public lands "unreserved and unappropriated." Clearly, lands designated by Congress as Wilderness, National Park and Legislated LUD II qualify as reserved and appropriated public lands. We therefore see no need to amend ANCSA to allow for selection, and potential development of, these sites.

We are also concerned with the lack of direction in the proposed bill regarding Sealaska Corporation's consultation with affected clans/tribes concerning management/ development of these sites. In addition, development activities on sacred, cultural, and historic sites are subject to consultation with the State of Alaska Historic Preservation Office. The technical amendment to the National Historic Preservation Act in section 5(c) of H.R. 3560 would classify these sites as "tribal" and therefore remove any requirement to consult with the State Historic Preservation Office.

Another significant concern we have with H.R. 3560 is the proposed termination of existing restrictive covenants on cultural or historic sites already conveyed to Sealaska Corporation in section 4(g). Section 4(h) would impose a covenant prohibiting any commercial timber harvest, but prohibit imposition of any other restrictive covenant. Current federal regulations, 43 C.F.R. §§ 2653.5(a) & 2653.11, require sites that qualify and are conveyed for cemetery sites or historical places contain a covenant prohibiting mining or mineral activities of any type and "use which is incompatible with or in derogation of the values of the area as a cemetery site or historical place." We don't understand why such reservations are inconsistent with Sealaska Corporation's objectives for these sites.

Finally, section 3(b)(A)(ii) would also convey lands 25 feet in width, together with one-acre sites at each terminus, for three (3) identified "Traditional and Customary Trade and Migration Routes." Initially, we have some concerns about how these routes will affect management of adjacent national forest lands, such as the Yakutat Forelands Legislated LUD II area, and public access and use of these and adjacent public lands.

Proposed Conveyance of Identified Native Enterprise Sites Could Cause Dramatic Changes in Land Use Patterns and Spark Controversy.

Section 3(b)(3) authorizes the conveyance of as much as 5,000 acres of land for "Native enterprise sites" across the Tongass National Forest for economic development purposes other than commercial timber harvest. The definition in H.R. 3560 of these "enterprise sites" is unclear. We are concerned about what activities will or will not be allowed on them, as well as how conveyance of these sites, and accompanying nonexclusive access and use right, will affect public use and access to popular use areas. For example, will this allow for large lodges, upscale marinas, or other industries in areas that are currently wild and remote? Furthermore, these "enterprise sites" have not been fully vetted with Southeast Alaskan communities. Based on our knowledge and experience, they will likely create conflicts with charters, commercial and sport fishing groups, hunting guides, existing tour operators, and residents who use these popular areas for camping, hunting, and fishing. Tourism and tourism related jobs employed nearly 6,000 people in the region in 2005. Many of these businesses are family owned and operated. Sealaska Corporation's "enterprise sites" could have a substantial negative impact on existing locally owned and operated businesses.

While as a general concept enterprise zones are worth discussing further, we believe it is more appropriate to locate such zones within or adjacent to existing Native corporation land. With very few exceptions, the proposed enterprise zones are well known and well-loved by people throughout Southeast Alaska. The proposed enterprise zones are located adjacent to highly popular areas used by local community members for recreational, commercial and subsistence purposes. Conveyance of these lands to Sealaska Corporation could cause dramatic changes in land use patterns and spark controversy. For example, Sitka residents are concerned about proposed sites are already generating controversy including Poison Cove in Peril Straits, Big Bay near Goddard Hot Springs, Kalinin Bay at the north end of Kruzof Island, and Crab Bay in Tenakee Inlet. The community of Edna Bay has expressed opposition to conveyance of any lands at Cape Pole, on Kosciusko Island. The proposed site at Dog Cove near the Naha Legislated LUD II Area is a highly popular area near Ketchikan. The proposed site at Madan Bay is also in a highly used area by residents of Wrangell.

H.R. 3560 Lacks a Meaningful Conservation Component.

When it enacted ANCSA in 1971, Congress included a provision requiring the Secretary of Interior to withdraw from all forms of appropriations up to 80 million acres of unreserved federal lands in Alaska and make recommendations for designating suitable lands as conservation system units. See 43 U.S.C.A § 1616(d)(2). Given the significant amendments proposed to ANCSA by H.R. 3560, we believe it appropriate to amend the bill to incorporate a meaningful conservation component. For example, Congress could:

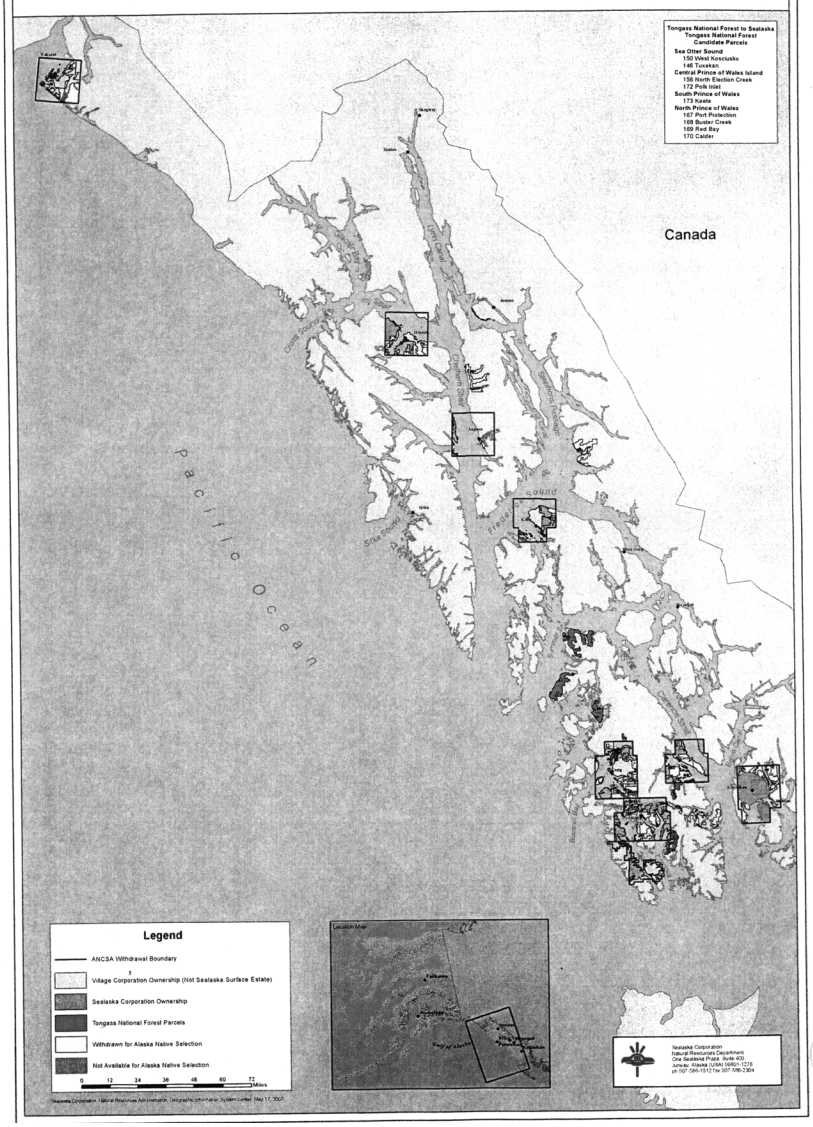
- Expand the Calder/Holbrook Legislated LUD II by including portions of Kosciusko (Trout Creek along South Shipley Bay/VCUs 541, 547, and partial VCU 543) and 4 small pieces along El Capitan Passage on the eastern end of the Calder/Holbrook Legislated LUD II area** (VCUs 5372, 5420, 5490, and partial VCU 5360);
- Expand the Nutkwa Legislated LUD II south of Hydaburg by including Hetta Lake (partial VCU 673.2, 673.1), Hetta Peninsula/Nutkwa Falls (partial VCU 673.2 & 685), Keete, Kassa, & Mabel Bays (VCUs 685, 688, 689);
- Permanently protect a karst island, such as Heceta Island, to safeguard significant karst and cave resources;
- End commercial logging and road building on North Prince of Wales Island except for activities associated with restoring previously logged lands or rehabilitating lost wildlife habitat.

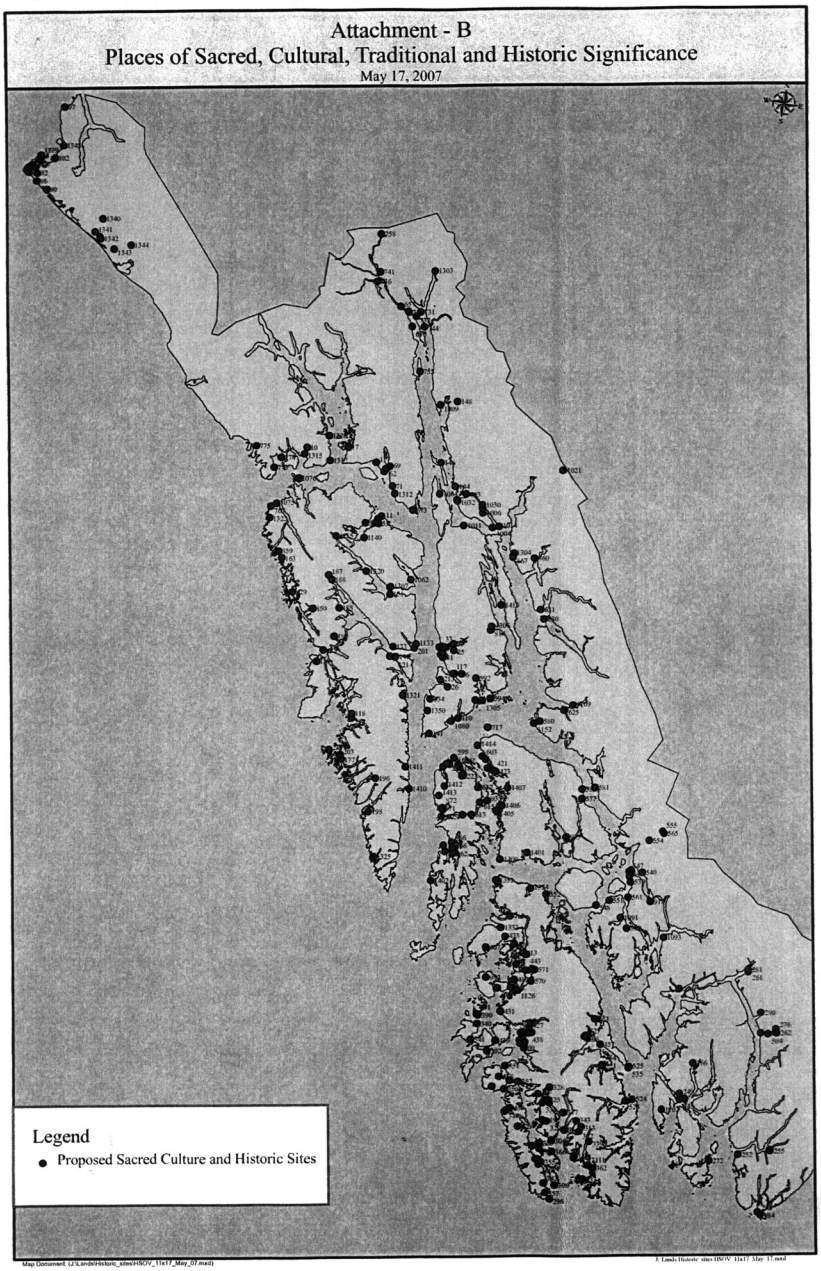
In conclusion, we respectfully request the Natural Resource Committee to carry out a deliberate and careful scrutiny of this complex piece of legislation and resolve our unanswered questions, as well as those posed by others. We further urge the Committee to assure that efforts to finalize Sealaska Corporation's land entitlement under ANCSA does not come at the expense of legitimate concerns of local communities and residents about the effect of such land conveyances on traditional community uses of affected public lands or threaten the integrity of the Tongass National Forest by privatizing public lands across the forest.

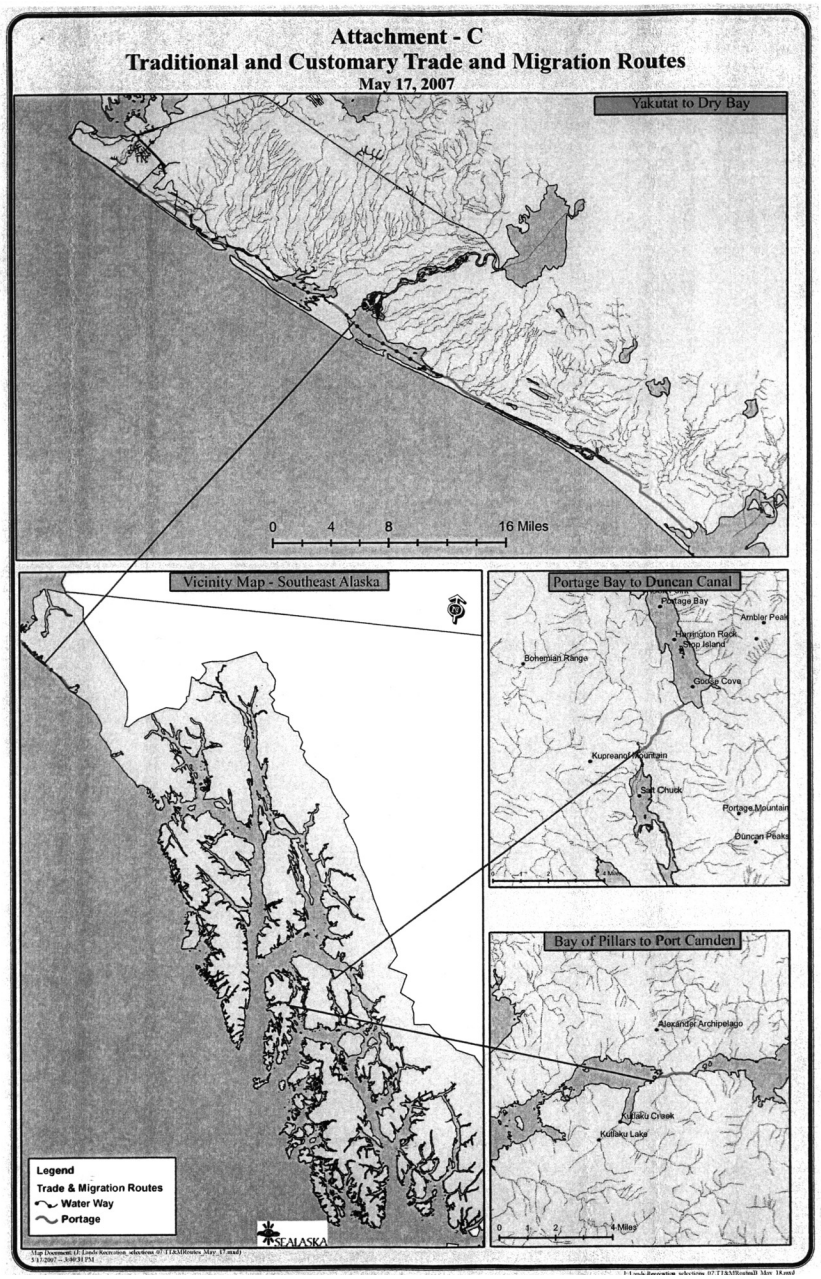
Thank you the opportunity to make preliminary comments on this proposed legislation.

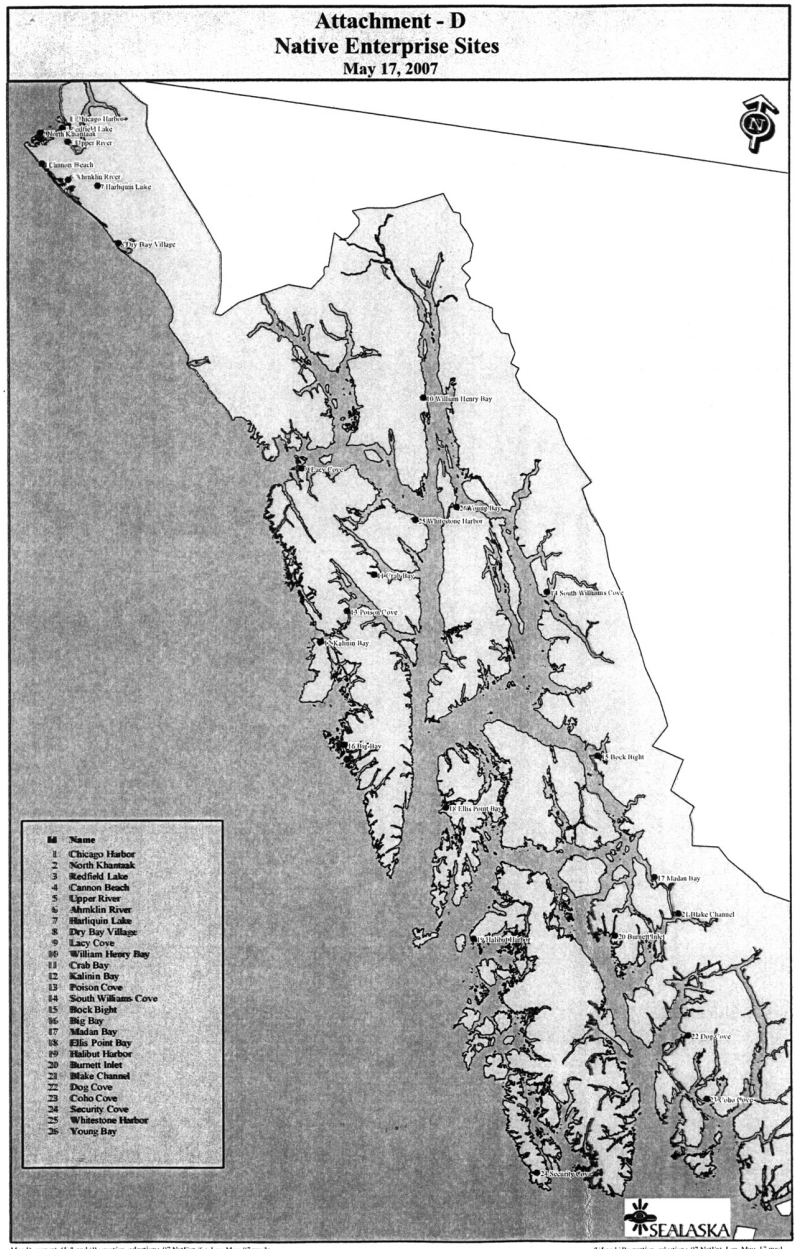
]Attachments follow:]

Attachment - A
Sealaska ANCSA Land Entitlement Rationalization Pool
May 17, 2007




Attachment - B
Places of Sacred, Cultural, Traditional and Historic Significance
May 17, 2007
Legend
Proposed Sacred Culture and Historic Sites


Attachment - C
Traditional and Customary Trade and Migration Routes
May 17, 2007
Yakutat to Dry Bay
0 4 8 16 Miles
Vicinity Map - Southeast Alaska
Portage Bay to Duncan Canal
Portage Bay
Ambler Peak
Harrington Rock
Bohemian Range
Goose Cove
Kupreanof Mountain
Salt Chuck
Portage Mountain
Duncan Peaks
Bay of Pillars to Port Camden
Alexander Archipelago
Kuliaku Creek
Kuliaku Lake
0 1 2 4 Miles
Legend
Trade & Migration Routes
Water Way
Portage
SEALASKA



The CHAIRMAN. I will yield my time to the Ranking Member, Mr. Young.

Mr. YOUNG. Thank you, Mr. Chairman.

Again, I do apologize to all the panels for the interruptions we have had today. We are going to have some votes here in a few minutes, so we will try to go through this.

Byron, some groups and individuals in the southeast have expressed concern about this bill. Has Sealaska met with these groups?

Mr. MALLOTT. Yes, and we intend to continue that process.

I know that I am stating the obvious when I say that particularly in the Tongass National Forest, but also in all public lands in Alaska, but especially in the Tongass National Forest, every acre is precious to someone, and that is a fundamental reality that we have to deal with.

We recognize that significant dialogue, continuing conversation, hopefully working together will get us where we need to get.

Mr. YOUNG. What about the benefits to Sealaska and its shareholders as a result of this timber development?

Mr. MALLOTT. Well, certainly timber development thus far has been significant over essentially two generations of our peoples in bringing about economic opportunity.

Sealaska itself, for example, as through its Sealaska Heritage Institute, expended millions in scholarships. We have funded a full range of cultural and tribal and other kinds of development, as I mentioned earlier.

Seventy percent of the profits from the timber resource development within our region have gone to other regions. We expect to continue to harvest timber, but in this bill, Mr. Chairman and Congressman Young, we seek to select out of withdrawals.

As I said, no one has spent much time looking at what Sealaska leaves essentially on the table in our existing withdrawal areas. Intact watersheds, roadless areas, significant stands of old growth forests where some 55 percent, if I recall correctly, of the lands that we seek out of our withdrawal areas are already roaded, have already been harvested, and Sealaska is willing to postpone for decades harvesting that timber in order to hopefully over time develop a transition to a different kind of timber industry that is more responsive to a broad range of public policy interests.

Mr. YOUNG. That is why you are giving up the opportunity of the old growth to select the precut areas that are eroded and covered, if they even have been put to bed, because in the long term that will be more beneficial than going into the old growth timber?

Mr. MALLOTT. Well, in terms of the public interest, yes, and in terms of our own sensitivities and aspirations as a people already our forested lands have placed almost a third in protected categories on our own lands.

Mr. YOUNG. But what I am getting across is again, and I don't have time to ask everybody questions, but what I can't understand, for instance, is Buck objects to this, but it is land that has already been cut. Is that correct?

Mr. MALLOTT. Yes.

Mr. YOUNG. I don't understand that because I have also heard people say from SEACC we have to protect the old growth timber. You can't invade the old growth timber. We have to protect our watersheds.

And yet you are doing that with this bill. You are selecting those lands that have already been violated, if you want to call it, for future investment for Sealaska.

Mr. MALLOTT. Yes, sir. I don't understand Buck either, and I look forward to the opportunity to educate him.

Mr. YOUNG. Good. Well, you know, I have fought this battle for a long time.

Just to give you some examples, because of the activity of SEACC, we have Angoon with an unemployment rate of 87 percent and Hoonah with 75 percent—that is SEACC's responsibility—Hydaburg, 90 percent; Kake, 75 percent; Kasaan, 49 percent; Klawock, 59 percent; Klukwan, 88 percent; Saxman, 71 percent; Yakutat, 49 percent; and even Ketchikan now a 23 percent unemployment rate. I remember when everybody was employed in Ketchikan.

I was told by SEACC at that time don't worry. We are going to work with the timber industry. We will make it work. That was many, many years ago, and still I see they are opposed to even the new timber.

The last question I have for you, Byron, is about these cultural sites. The Administration came out against you picking cultural sites. Now, it is your culture, correct?

Mr. MALLOTT. Yes, sir.

Mr. YOUNG. Why would they think that they could protect it better? You have already recited that there has been defamation of it and some of it has been used for probably capital gains for the Service. Why shouldn't you have that?

Mr. MALLOTT. Well, we believe that we should. As I emphasized earlier, we had for a long time no particular opposition to Federal management of sacred sites. As a matter of fact, we tried to keep knowledge of sacred sites as much a secret as possible, which has led to some concerns and even questioning our management practices.

What has happened is that more and more those sites are becoming public knowledge, and we are concerned about their future safety, their future maintenance as such sites, and we believe that we have the ability to manage those sites as Native sites with much more knowledge and obviously tradition history than any Federal agency.

Mr. YOUNG. Do you have any plans to develop economic endeavors on these cultural sites, sacred sites?

Mr. MALLOTT. No, sir.

Mr. YOUNG. All right. Did any of the national park units exist prior to your people's historic, traditional and cultural connections with sites within the unit? There were no national parks, were there?

Mr. MALLOTT. These sites have been in existence for many, many generations in the past, some for thousands of years.

I know of no specific site that would have been identified and utilized after any Federal classification was made in the Tongass National Forest.

Mr. YOUNG. Chris, you are the President of Sealaska Corporation?

Mr. MCNEIL. Yes, I am.

Mr. YOUNG. You said you guess, or yes, I am?

Mr. MCNEIL. No. I said yes, I am.

Mr. YOUNG. OK.

[Laughter.]

Mr. YOUNG. Economically how many acres are we talking about?

Mr. MCNEIL. We are talking about as much as 85,000 acres.

Mr. YOUNG. And that is land that you have a right to select?

Mr. MCNEIL. That is right. What we would be relinquishing and releasing is 277,000 acres.

Mr. YOUNG. I want to state that for the record. You would select 85,000 and relinquish how much?

Mr. MCNEIL. Two hundred seventy-seven thousand.

Mr. YOUNG. And that is in old growth timber?

Mr. MCNEIL. That is old growth timber.

Mr. YOUNG. And that is the valuable timber, according to SEACC?

Mr. MCNEIL. Yes.

Mr. YOUNG. So you are giving up 85,000. Are you giving up about twice as much land for what you are getting?

Mr. MCNEIL. Yes, that is correct.

Mr. YOUNG. And that is a good deal?

Mr. MCNEIL. We believe that it is in the national interest to be able to do that, yes.

Mr. YOUNG. That is in Sealaska's interest?

Mr. MCNEIL. Yes.

Mr. YOUNG. You don't invade any of those great, great trees that are dying, and you don't invade the rain forest and all the other good stuff that SEACC has protected all this time? You don't do that? You give up 285,000 acres?

Mr. MCNEIL. Yes.

Mr. YOUNG. In old growth?

Mr. MCNEIL. We believe on a net basis that is so. Yes, that is correct.

Mr. YOUNG. Mr. Chairman, I think this is a better deal than we had for the Izembek Road.

I mean, I think it is a bad deal for Sealaska. If I was Sealaska, I would go into the old growth. Not for you, Buck, and for you, Don. I would go into the old growth. You have been trying to protect everything. There is no timber industry left in the southeast. The new timber is going to be gone that they are trying to pick.

We will probably develop another source of economy in the southeast because of the different timbers. Not a pulp timber. It will be soft timber. It could be managed. I am trying to talk the Forest Service into doing this right now and leasing those other areas or granting long-term leases on the rest of it. They have a right as the original inhabitants of that area to pick those lands and fulfill that obligation.

It is a good thing I am not one of you down there because I think I would go in the old forest with a chainsaw in a heartbeat because what you are doing is wrong. What they are doing is right. It is good for the area. It is good for the community. It will give you some credibility.

I suggest respectfully continue to meet with them, and we can find a solution to this problem.

Mr. Chairman, do you have any questions?

The CHAIRMAN. I have no questions, Don.

Buck's name has been batted around here a bit, and he has not responded. I just want to give him a chance to respond.

Mr. YOUNG. I haven't asked him any questions.

The CHAIRMAN. Oh.

Mr. YOUNG. Do you want to ask him a question?

The CHAIRMAN. Buck, do you wish to respond?

Mr. LINDEKUGEL. Thank you, Mr. Chairman, Congressman Young.

From the look-see that we have had, and I may ask Mr. Hernandez to share a little bit too, but from our analysis of the lands that are going to be relinquished by Sealaska and the lands that they are seeking to receive, they are correct.

Some of the areas, some of the pool of lands that they are looking at selecting from, include areas that have already been cut under the former Ketchikan Pulp Company 50 year contract under national forest management under their standards and guidelines.

That is a lot different than logging on private lands under the State Forest Practices Act in terms of fish habitat protection and wildlife protection.

Mr. YOUNG. Let us not go there because I don't want to get into a big argument. Let us not go there.

Mr. LINDEKUGEL. Fair enough, sir.

Our analysis shows of the lands that Sealaska is considering, this pool of lands for economic development, 57 percent of those lands are what would be called large tree old growth forest, the biggest trees left, and that is disproportionate to how much is actually remaining left on Prince of Wales due to national forest cutting and cutting on corporate lands, so one of our concerns is the disproportionate effect of logging the lands that Sealaska is seeking to log.

If I could ask Mr. Hernandez—he is from one of the affected communities—to share some of his concerns on this bill?

Mr. HERNANDEZ. Thank you, Mr. Chairman, Mr. Young. I really appreciate the chance to weigh in in this discussion.

It is totally wrong to characterize these lands that Sealaska proposes for selection as being primarily second growth timber. That is a total mischaracterization.

Forest Service management mandates multiple use. These lands have been logged. There is a significant amount of old growth forest still available. It is some of the most highest value old growth forest left on Prince of Wales Island.

The reason that forest still exists in its old growth state is because of, you know, citizens like myself working with the Forest Service to ensure that the multiple use management works to keep a healthy forest for wildlife habitat, essential fish habitat, and that is why it exists because people from my community have tried to ensure that it remains for the benefit of everybody that uses the forest.

The acreage is significant. Buck has all the figures here. It is a significant portion of the remaining high value wildlife habitat which remains on Prince of Wales Island. All of the infrastructure is in place from previous logging. Sealaska Corporation gets the benefits of all the road building built by taxpayers' money.

The Forest Service has over the years spent probably millions of dollars doing tree thinning, silviculture projects to enhance the timber value of the logging that would occur in the second growth state.

My community has worked closely with the Forest Service in recent years to work on some rehabilitation projects because logging practices in the past have done damage to habitat, both fish habitat and wildlife habitat. The Forest Service recognizes that this is going to cost a lot of money for rehabilitation to bring some of this wildlife habitat into a better state. Sealaska Corporation will be under no obligation to do that type of wildlife and fisheries rehabilitation as private lands.

These are just some of the issues that our community has with this proposal from Sealaska, and I think you need to hear that. Thank you.

Mr. YOUNG. Mr. Chairman?

The CHAIRMAN. Yes?

Mr. YOUNG. I know for a fact that the Native people in southeast Alaska, although they have been accused of being bad stewards, are better stewards than the Federal government is. We are going to continue to work with these numbers. We may get a little more land. We may get a little more of the previously cut land.

It is strange to me, Mr. Hernandez, that you would complain about taxpayers building roads, et cetera, et cetera, and now we want to do it and use them for the benefit of the Alaska Natives, and you object to that. You object to that, and yet you are for roadless areas and the old growth timber.

Now, if they pick that old growth timber I believe they probably can build roads in that area and do more damage. They are willing to give up 285,000 acres. I don't understand the arithmetic. Can you explain to me the arithmetic?

You said it is not good land? You say it is not valuable? It doesn't have water value, et cetera? You are willing to take and give up 285,000 acres for 82,000? That doesn't add up to me. Maybe your community, but it doesn't add up to me.

Mr. LINDEKUGEL. Mr. Chairman, was that a question?

Mr. YOUNG. No, that is not a question. We are out of here.

The CHAIRMAN. We do have votes on the Floor, and the Committee is going to have to adjourn at this time.

We thank you for your testimony. The Committee stands adjourned.

[Whereupon, at 2:10 p.m. the Committee was adjourned.]

[NOTE: Information submitted for the record by the individuals listed below has been retained in the Committee's official files.]

H.R. 2445

- Brown, Margaret, President and CEO, Cook Inlet Region, Inc.
- Kookesh, Hon. Albert, Alaska State Senator

H.R. 3350

- Brower, Margaret
- Burnell, George
- Davis, Herman, Sr.
- Dewey, Valerie
- Edwards, Lawrence
- Estabrook, John
- Gemmill, Margorie

- Gould, James
- Hess, Felix
- Johnson, Walter A.
- Lang, Gary
- Leighton, Robert
- Lindekugel, Buck
- Littlefield, Michael
- Logusak, Frank
- Martin, William E.
- Mathieson, Nelson Eddy
- Matsuno, Wesley I.
- Merculief, Terenty, Jr.
- Monroe, Nicholas
- Morry, Mark
- Native Village of Barrow-Inupiat Traditional Government
- Noratuk, Chunni
- Pilot Point Traditional Council
- Roehl, Henry
- Sifsof, Lawrence
- Sitka Tribe
- Suckling, Theodore
- Sutton, Elias
- Tanana Tribal Council
- Warner, Anthony
- Waskey, Mathew, Sr.
- Young, Lawrence

H.R. 3351

- Alqaaciq Tribal Government
- Atmautluak Traditional Council
- Chevak Native Village
- Eek Tradition Council
- Kasiguluk Traditional Council
- Kongiganak Traditional Council
- Native Village of Alakanuk
- Native Village of Kwigillingok
- Orutsararmiut Native Council
- Platinum Traditional Village
- Tuntutuliak Traditional Council
- Village of Kotlik

H.R. 3560

- Alaska Federation of Natives
- Alaska Forest Association
- Alaska Native Brotherhood and Sisterhood
- Alaska Wilderness League
- Cape Fox Corporation
- Craig Community Association
- Culp, Wanda J., Hoonah, Alaska
- Edna Bay Community
- Haida Corporation
- Hernandez, Don, Point Baker, Alaska
- Klawock Heenya Corporation
- LeCornu, Adrian and Vicki
- Mason, Jack M.
- National Parks Conservation Association
- Organized Village of Kasaan
- Organized Village of Saxman
- Point Baker Community Council
- Point Protection Community Association
- Sitka Tribe of Alaska
- Stein, Alan, Former Director of the Salmon Bay Protective Association
- Tlingit and Haida Indian Tribes of Alaska

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