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THOMAS E. KELLY
Consultant Earth Sciences

February 9, 1976

Honorable Nels A. Anderson, Jr.
Chairman House Resources Committee
Pouch V
Juneau, Alaska

Dear Representative Anderson:

I regret that I was unable to present testimony at the joint Resources Committee hearing in Anchorage this past weekend. I attended the afternoon session and was scheduled to address the Committee at 4:45 P.M. A prior obligation prevented me from returning that evening and the following morning (Sunday).

I hope that you will accept this letter as a brief summary of my viewpoints on the proposed Cook Inlet Region, Inc. - State - Federal land exchange.

From the standpoint of information and clarification I am a director and chairman of the Natural Resources - Economic Development Committee of the Anchorage Chamber of Commerce. The Chamber created a special task force to review the proposed land exchange and condensed its findings which sought:

- (a) Legislative review.
- (b) Greater explanation of the factual basis of the trade.

As a member of the Committee and task force, but not speaking for the Committee itself, I believe that the concerns of the Chamber have been met. If the Chamber takes a further position you will be advised immediately.

Accordingly the opinions herein are those of an interested individual with approximately seventeen years direct involvement in Alaska's natural resources.

I support, without reservation, the land exchange provisions as incorporated in the report accompanying and made a part of the Omnibus Act amending the Alaska Native Claims Settlement Act.

There are certain conditions in the report accompanying H.R. 6644 that I do not favor - and one in particular requiring the endorsement by CIR, Inc. of the Wilderness proposals within the Kenai National Moose Range is unfortunate - however the document represents a fair compromise and should be reviewed as such. The exchange agreement is a complex document that is probably not well understood by anyone not directly involved in the negotiations. It is apparent that the agreement is a delicately balanced instrument that will not survive further modifications, amendments, or adjustments.

It appears to me that the committee must be convinced that the exchange is in the best interest of all of the people of Alaska. In making this determination several questions should be answered:

1. Is it legal, fair to all parties and consistent with economic interests of the State?
2. Are the resulting land management patterns workable?
3. Will final solution avoid further litigation and resulting delays in completing selections pursuant to the Alaska Native Claims Settlement Act as well as final state selections pursuant to the Alaska Statehood Act?
4. Does it make for improved land classification and ownership patterns in Southcentral Alaska including the facilitation of Fish and Game management, recreation, and economic development of those lands to which a highest and best use classification can be determined?
5. Does it strive for a proper balance between lands best suited for development and those suited for purposes other than development?
6. Does it improve the possibilities for resource development on lands that have demonstrable economic significance?

Depending on personal convictions - sometimes colored with confusion, mistrust, or lack of facts - one could argue about whether the Native Corporation is getting more than its entitlement or whether the state is getting too much or too little or giving up valuable resources belonging to all of the people. Additionally we could argue, depending on our individual philosophy, that the federal government is being short changed.

I think it is important to understand honest concerns and apprehensions but I believe that on balance - the final solution that is before you - will be in the best interests of all parties.

The issue of vulnerability of the state in potential loss of revenues from Swanson River field or the loss of high value real estate in the Anchorage Bowl should not be a determinant. In other words the exchange will never be accepted if it is a product of duress or threat. I don't believe it is and I think it is our job to convince the people that it is not.

In conclusion if your greatest concern is that the state may be getting short changed particularly because of the Red Herring issue of the Beluga coal fields I recommend that you carefully plot the existing coal leases and/or prospecting permits as well as the mental health grants - the latter having been excluded from the exchange - to see the apparent potential effect on the state from relinquishing the lands in the Capps Glacier area. I think that you will find that the suggested giveaway is very questionable. Were it possible to select a great deal more fee or subsurface lands within the Kenai National Moose Range I would be very surprised if the Cook Inlet Region did not enthusiastically opt to do this. But it is not possible.

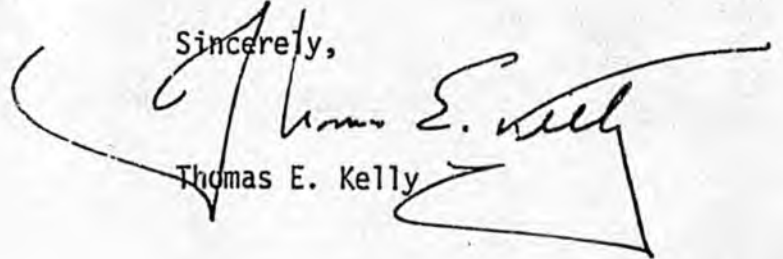
I urge your favorable consideration of the Cook Inlet Region - State - Federal land exchange - but only after you have satisfied yourself that the bug-a-boo is not there.

I wish to commend the committee for its diligence and effort in making it possible for everyone to become better informed on such an important issue as the proposed land exchange.

It is my understanding that legislation may be proposed that would establish guidelines for any future exchanges involving State lands. In this regard I hope that the committees and the legislature will recognize that each trade will have certain unique provisions and any new legislation should allow reasonable flexibility without rigid requirements that would impede prudent judgment.

Thank you for permitting me to include my position in the record of testimony.

Sincerely,

A handwritten signature in cursive script, appearing to read "Thomas E. Kelly". The signature is written in dark ink and is positioned above the printed name.

Thomas E. Kelly

TEK/sp

Federal-State
Land Use Planning Commission
For Alaska

731 W. MOUNTAIN AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501

REC'D CIVIL FEB 2 1976

October 30, 1975

Honorable Henry M. Jackson
Chairman
Senate Committee on Interior
and Insular Affairs
Attn: Steve Quarles
3106 Dirksen Building
Washington, D.C. 20510

| ROUTE TO: | Info | Action | Initial |
|----------------------|------|--------|-----------|
| PRESIDENT | ✓ | | |
| GEN. MANAGER | | | <i>WJ</i> |
| LAND DEPT. | ✓ | | |
| VILLAGE COORDINATOR | | | |
| PUBLIC REL. OFFICER | | | |
| LEGAL DEPT. | ✓ | | |
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| COPY FOR BOARD MEMS. | | | |
| COPY FOR VILLAGES | | | |

Dear Chairman Jackson:

It is our understanding that the Interior Committee will soon commence its markup of certain proposed amendments to the Alaska Native Claims Settlement Act. With this in mind, I am writing to communicate the Commission's strong support for amendatory legislation relating to the land entitlement of Cook Inlet Region, Inc., and its constituent villages, as such legislation is described in the recently announced agreement between Cook Inlet and the State of Alaska.

For the past three years, the Commission has been actively involved in efforts to resolve the land-related problems which have confronted Cook Inlet and its constituent villages. These efforts have taken the form of technical assistance to the regional corporation and, more recently, to the State of Alaska, and recommendations to the Secretary of the Interior with respect to the location and quantity of withdrawals needed to help satisfy the requirements provided in Section 11(a)(3) of the Settlement Act. Most recently, the full Commission has considered the tentative agreement arrived at between Cook Inlet and the State of Alaska. On the basis of this consideration, which took place at a Commission meeting held on October 24-25, 1975, I have been authorized to communicate our unanimous support for the approach taken in the proposed agreement.

The Commission's position is premised on the following principal considerations. First, in our opinion, a significant portion of the acreage presently withdrawn for possible selection by Cook Inlet does not meet the qualitative criterion provided in Section 11(a)(3) of the

Settlement Act. In arriving at this conclusion, we are cognizant of the Federal District Court's ruling in Cook Inlet v Morton, and are constrained to disagree with that portion of the ruling which relates to compliance with the criteria specified in Section 11. Second, the land status pattern in the Cook Inlet region, which encompasses large Federal withdrawals and significant acreage in State and private ownership, indicates that it would be very difficult for Cook Inlet to obtain a satisfactory land entitlement in the absence of the land exchanges and other mechanisms provided in the pending agreement. Third, implementation of the agreement would greatly improve land management within the Cook Inlet region by consolidating Federal, State, and Native ownership in areas which aptly reflect the interests of the various parties. Thus, for example, the agreement would result in Native ownership of certain areas on the Kenai Peninsula which, by virtue of their location, soils, and other characteristics, appear suitable for private settlement and development. Similarly, the State would obtain additional lands in the Bristol Bay watershed, which is of critical importance to the State for its fishery and recreational values, and the Federal government would be assured of a viable management unit in the Lake Clark area, which has been proposed for national park status pursuant to Section 17(d)(2) of the Settlement Act. Improved management and ownership patterns would also result in other areas of the Cook Inlet region, including the Talkeetna Mountains and the Kenai Peninsula. Fourth, the proposed agreement would lessen the impact of private ownership on the Kenai National Moose Range by reducing the total acreage that might otherwise be transferred to Native corporations and by requiring that certain protective measures be taken in a significant portion of the lands that would be conveyed. In short, implementation of the agreement would permit the creation of rational patterns of land management and ownership which reflect the varied interests of the parties involved. Neither the administrative nor judicial alternatives afford the flexibility which is necessary to accomplish this result.

In supporting the proposed agreement, the Commission does not mean to minimize the technical and other problems which must be overcome prior to its final adoption. For example, there are certain legal issues which must be addressed. However, the research conducted by our staff and more extensive work performed by attorneys for Cook Inlet and the State indicate that solutions to these problems do exist. Moreover, since the agreement would authorize Cook Inlet to select lands within the boundaries of certain other regional corporations, the views of those corporations must be considered with great care, and an effort must be made to insure that in the process of improving land ownership and management patterns in the Cook Inlet region, we do not jeopardize

the opportunity to create sensible patterns in other areas of the State. In addition, full participation on the part of Cook Inlet's constituent villages and groups will be required, for the agreement calls for the relocation of certain withdrawals made for their benefit. We believe that the participation and cooperation of all of the parties to the agreement and other affected Native corporations will create an atmosphere in which possible problems can be resolved and the objectives of the current proposal can be successfully achieved.

Thank you for your consideration of this correspondence.

Sincerely,

Burt Silcock

Burton W. Silcock
Federal Co-Chairman

cc: Senator Ted Stevens
Senator Mike Gravel
Royston C. Hughes, Assistant Secretary, Program Development and Budget
Ken Brown, Legislative Counsel, Department of the Interior
Guy Martin, Commissioner, State Department of Natural Resources
Michael C.T. Smith, Director, State Division of Lands
Sam Kito, President, Alaska Federation of Natives
Roy Huhdorf, President, Cook Inlet Region, Inc.

ANCHORAGE ASSEMBLY RESOLUTION

Requested by:
Prepared by: Land Trust Fund Counsel
For Reading: 2/10/76

ON COOK INLET LAND TRADE PROPOSAL

(SEE BOTTOM PAGE 2)

ANCHORAGE, ALASKA

UNANIMOUSLY ADOPTED

AR NO. 8-76

10 To 0

A RESOLUTION OF THE ANCHORAGE ASSEMBLY EXPRESSING ITS CONCERN REGARDING THE DISPOSITION OF CERTAIN LARGE TRACTS OF PUBLIC LAND WHICH ARE THE SUBJECT OF PUBLIC LAW 94-204, AN AMENDMENT BY THE U.S. CONGRESS TO THE ALASKA NATIVE CLAIMS SETTLEMENT ACT OF 1971.

THE ANCHORAGE ASSEMBLY RESOLVES:

Section 1. The Congress of the United States has recently enacted Public Law 94-204, containing certain amendments to the Alaska Native Claims Settlement Act of 1971, one of which, at Section 12 of the Act and entitled "Cook Inlet Settlement", would have the effect of trading certain lands and future rights in lands between and among the federal government, the State of Alaska, and Cook Inlet Region, Inc., a native regional corporation, for the stated purposes of consolidating rational land ownership patterns and settling certain pending litigation in the public interest.

Section 2. The Cook Inlet Settlement section of P.L. 94-204 provides that, if the Alaska Legislature disapproves of the Cook Inlet Settlement prior to April 15, 1976, that settlement shall be null and void and the options of the Congress to fashion an appropriate remedy shall not have been foreclosed.

Section 3. The great bulk of lands and land rights so exchanged between the parties lie outside the boundaries of the Anchorage Municipality, and do not directly affect the property interests or planning authority of the Municipality; however, certain specific tracts of land identified in P.L. 94-204 directly affect present and future

and may consequently determine the direction of future growth and development which the Municipality will undergo and the amenities and necessities of life which will exist here for future generations. These tracts are the Campbell Airstrip Tract, the Point Campbell Military Reservation, the Point Woronzof FAA Reservation, and the Goose Lake Tract.

Section 4. The Municipality of Anchorage and its predecessors have long attempted to insure that the Campbell Airstrip Tract remains intact in public ownership as the Far North Bicentennial Park, both for its recreational and its watershed attributes. More recent efforts by local governments have stressed the importance of retaining the Goose Lake Tract, Point Campbell Reservation, and Point Woronzof Reservation in public ownership to guarantee that non-intensive land uses compatible with existing adjacent uses will occur in these areas in the future. While public ownership of each of these unique tracts of land at the local, State or Federal level is imperative, the Municipality of Anchorage believes that it is best qualified and equipped to plan and to manage these tracts in the public interest to meet the open space, watershed, recreational, institutional and cultural needs of a growing Anchorage, and this belief is hereby restated in this Resolution.

Section 5. Insofar as P.L. 94-204 may affect the future disposition and use of the Campbell Airstrip Tract, the Point Campbell Military Reservation, the Point Woronzof FAA Reservation and Goose Lake Tract, the Anchorage Assembly strongly urges that the Alaska State Legislature approve the Cook Inlet Settlement portion of P.L. 94-204 to insure that the public interest in

retaining these large, undeveloped tracts of land in continued public ownership is fully protected.

Section 6. The Municipal Legal Office has, at the request of the Assembly, monitored the progress of negotiations regarding the proposed agreement entitled "Terms and Conditions for Land Consolidation and Management in the Cook Inlet Area", and the legal office is hereby directed to continue to monitor the progress of said agreement and to report to the Municipality any changes which may affect those tracts of land which the Assembly has determined by this Resolution to be significant to the public interest.

Section 7. The Municipal Clerk is hereby directed to inform the Governor, the President of the Senate, the Speaker of the House, the Chairpersons of the House and Senate Resource Committees, and each member of the Anchorage Legislative delegation of this action by the Municipal Assembly, and to provide a full text of this Resolution to each of such persons.

PASSED AND APPROVED by the Anchorage Assembly this 10th day of February, 1976.

Chairperson

ATTEST:

Municipal Clerk

APPROVED this _____ day of _____, 1976.