PROPOSED COOK INLET LAND TRADE

(NOTEBOOK)

INDEX

GOVERNOR'S TRANSMITTAL LETTER

COOK INLET

LAND EXCHANGE

JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

1/23/76

The Honorable Mike Bradner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

In my State of the State message, I laid before the Legislature the issue of the Cook Inlet Land Exchange. In doing so, I made the following statement:

> Alaska's land, perhaps more than the offshore oil and gas programs, hits Alaskans where they live. This administration believes that sound land ownership patterns and practices are important and we will not hesitate to use State power to influence them when in the public interest.

I continued by expressing the further commitment of the administration to take a major role in land decisions seeking to "balance the proper rights of Alaska's Natives with the long-term interests of the entire Alaska public."

Setting forth the Cook Inlet exchange specifically, I indicated the importance of the matter and my desire that it be the subject of thorough Legislative scrutiny:

> Perhaps the boldest of these (land) actions has been the Cook Inlet Land Exchange. Controversial from the first, this transaction is as large and complex as the issue it was intended to resolve. Pursuant to a Congressional request, we worked for months with the other parties for a settlement. More important, support for it has grown as its logic becomes apparent.
>
> Now, though not obligated, I am bringing it to the legislature with confidence, having seen it move through Congress supported by our entire delegation. Should you disapprove it, I will not act, but I earnestly solicit your approval.

By now, this issue is well-known to many Alaskans, as it has had extensive press coverage, has been the subject of an extensive public process, has been reviewed by a special Legislative Council subcommittee, and has been the subject of full Congressional review and action.

In spite of this, and in spite of my conclusion that State participation in the agreement is authorized by existing law, I believe full Legislative review is in the broadest public interest on a matter of this importance and scale.

By the terms of the document entitled "Terms and Conditions for Land Consolidation and Management in the Cook Inlet Area", incorporated in Section 12 of the recently passed amendments to the Alaska Native Claims Settlement Act (P.L. 94-204), the consent of the State to the agreement must be given within 60 days of the commencement of the 1976 Session of the Alaska Legislature. I have stated my intent that such consent shall be given unless the Legislature disapproves State participation within this period. Should disapproval occur, I will withhold my consent for State participation.

The matter is thus submitted to you for oversight and policy review, and the attached material should be considered in addition to other public information on this matter and material earlier submitted to the special Legislative Council Subcommittee. Additionally, you have my pledge of full administration cooperation to further explain and illuminate the exchange agreement as your procedures indicate.

The materials attached are intended to permit an orderly analysis of the agreement, touching on the issues critical for Legislative review. In particular, there is a discussion of the considerations that entered into the deliberations, the alternatives as perceived by the State, and the economic evaluations that have been made. Most important, the documents trace the history of public participation and input into the agreement and the extent to which the final agreement reflects concerns stated by legislators, local governments, other Native Corporations and the public at large.

The exchange agreement, the legal and historical conditions which necessitated and permitted it, and the process by which it was formed are unique and critical to an understanding of the entire issue. So is an understanding of the paths not taken, or the consequences of a failure to take such an action. The entire Alaska delegation supported the agreement, and Congress acted to carry it into Federal law. When the bill was signed by the President on January 2, 1976, it placed the matter before the State and I am seeking your review.

In the House report that accompanied the federal legislation on the exchange, the Committee on the Interior and Insular Affairs noted that the document "harmonizes conflicting interest, seeking to adjust an equitable settlement for Cook Inlet Region consistent with the needs of Alaska and the public at large... It seeks to resolve harmful jurisdictional conflicts and arbitrary ownership and conserves for public use lands that should have that status." I agree.

I submit this set of documents to you cognizant of the care, delicateness and thoroughness that has been the hallmark of the evolution of the agreement, and seek your consideration of the land exchange agreement as the final step in this important endeavor.

Sincerely,

Jay S. Hammond
Governor

JAY S. HAMMOND
GOVERNOR

rec'd 2-20

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 20, 1976

The Honorable Nels A. Anderson, Jr.
Chairman
House Resources Committee
Alaska State Legislature
Pouch V Capitol Building
Juneau, Alaska 99811

Dear Chairman Anderson:

I would like to cooperate with the Senate and House Resources Committees in their efforts to evaluate the Cook Inlet-State of Alaska Land Trade.

However, I cannot grant your request of February 16 for a 30-day extension of the March 12 deadline because it is out of my power to do so. Subsection 1 of Section 12 of the Act incorporates by reference the terms of the agreement of the parties (see page 42 of the House Report accompanying 6644).

Three conditions must exist before the Secretary of the Interior may act, the first of which is that the State of Alaska, within 60 days of the effective date of the Act, January 12, 1975, must irrevocably commit to the transaction: "Upon consent by the State of Alaska to be bound by the terms and conditions of this Document, which consent must be given, if at all, within 60 days of the commencement of the 1976 Session of the Alaska State Legislature, the State of Alaska shall convey to the United States for reconveyance to CIRI the lands described in Appendix C to this Document."

I believe that it is not only unrealistic to expect the federal Congress to pass yet another bill, but also inappropriate for us to expect them to do so when a little extra energy and committment by all of us can accommodate the March 12 deadline.

I assure you that I will do what I can to encourage the joint State-Federal Land Use Planning Commission to expedite their deliberation.

Sincerely,

Jay S. Hammond
Governor

February 20, 1976

The Honorable Kay Poland
Chairperson
Senate Resources Committee
Alaska State Legislature
Pouch V Capitol Building
Juneau, Alaska 99811

Dear Kay:

I would like to cooperate with the Senate and House Resources Committees in their efforts to evaluate the Cook Inlet-State of Alaska Land Trade.

However, I cannot grant your request of February 16 for a 30-day extension of the March 12 deadline because it is out of my power to do so. Subsection 1 of Section 12 of the Act incorporates by reference the terms of the agreement of the parties (see page 42 of the House Report accompanying 6644).

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I assure you that I will do what I can to encourage the joint State-Federal Land Use Planning Commission to expedite their deliberation.

Sincerely,

Jay S. Hammond
Governor

TABLE I.

ESTIMATED ECONOMIC VALUES, IN PRESENT DOLLARS, OF LANDS GIVEN AND RECEIVED BY THE STATE

LANDS GIVEN BY STATE

LOCATION	ACREAGE	VALUES (SMILLIONS) LAND	MINERALS	TIMBER	TOTAL
Scattered Tracts	69,721	15.7	---	1.8	17.5
Kenai Penn.	107,650	16.1	---	1.3	17.4
Beluga	314,640	22.0	15.9[a]	1.2	39.1
TOTAL	492,011	53.8	15.9	4.3	74.0

LANDS RECEIVED BY STATE

LOCATION	ACREAGE	VALUES (SMILLIONS) LAND	MINERALS	TIMBER	TOTAL
Kamishak Bay	276,480	11.1	---	.2	11.3
Koksetna R.	161,280	6.4	---	.2	6.6
Talkeetna Mts.	161,280	6.4	---	.1	6.5
Bristol Bay	576,000	23.0	---	---	23.0
Campbell Tract	3,930	5.9[b]	c	c	5.9
Pt. Campbell	1,179	6.6[d]	---	---	6.6
Pt. Woronzoff	595	4.2[d]	---	---	4.2
Capt. Cook Rec. Area	4,800	.8	---	.1	.9
TOTAL	1,228,742	64.4	---	.6	65.0

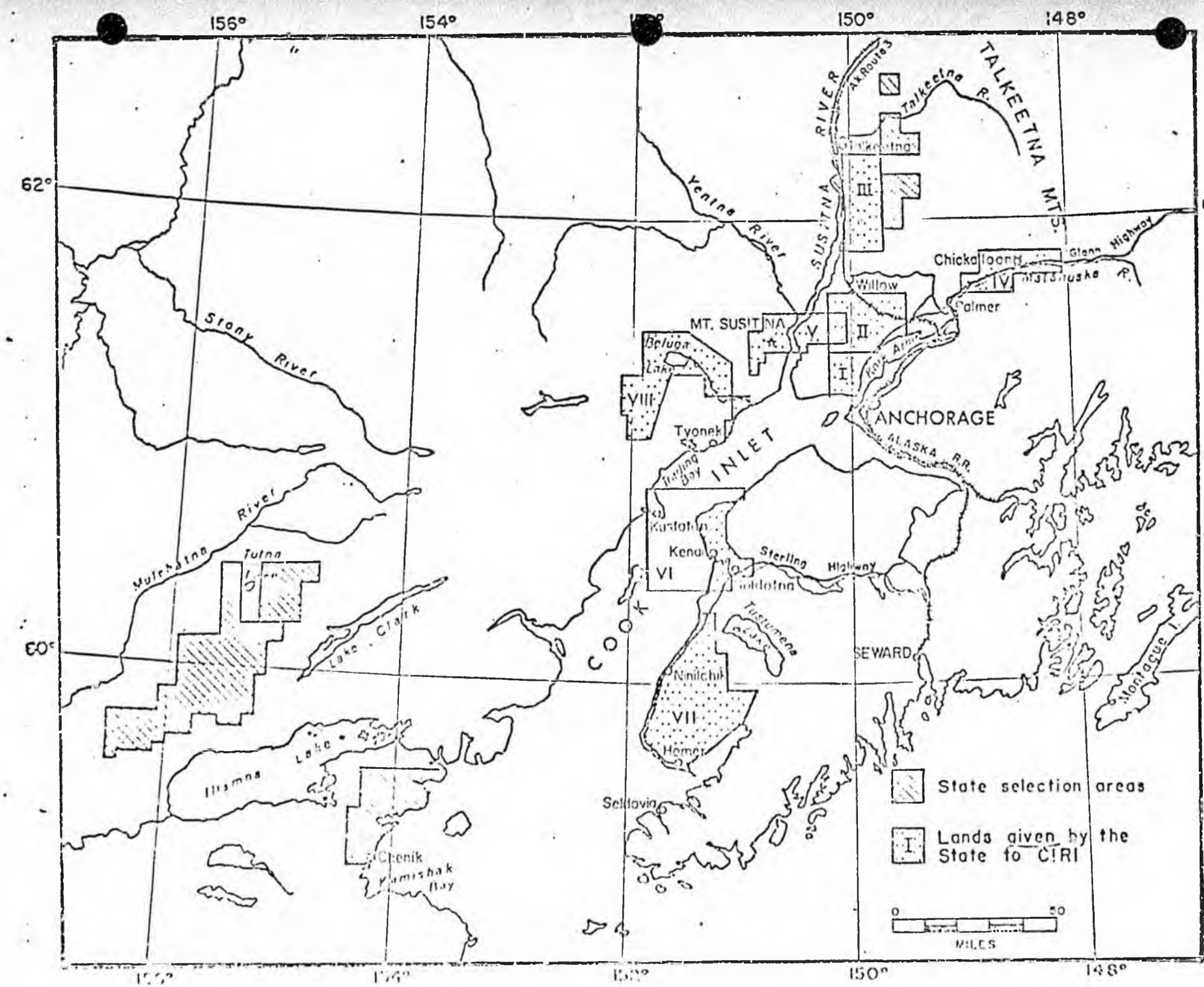
NOTE:

a. The 15.9 value for the Beluga Coal resources is based on the middle of three scenarios for production in that area (pessimistic, medium, optimistic). The value has been discounted at eight percent from future revenues to present dollar values. The most optimistic scenario, which makes several very optimistic assumptions, would yield a discounted value of $38.2 million (figures attached to memo).

b. A very conservative figure of three thousand dollars per acre has been assigned for the Campbell tract. This figure has then been discounted fifty percent under the assumption that if the State did not gain immediate title to the area under this proposal it would still stand a respectable chance of obtaining the land at some time in the future.

c. Although other values including timber and specifically gravel are found on the Campbell Tract, sufficient data were not immediately available to make a good estimate of value. However, the value of gravel alone, located as it is within the center of the Anchorage Bowl, would be very substantial, certainly totaling in the millions of dollars.

d. As with the Campbell Tract the values of the Point Campbell and Point Woronzoff surplus lands has been discounted to recognize that the State might obtain these lands at some unknown future date in other ways if the proposal is not executed. However, because these lands are outside of the two-mile radius of the city boundaries, and because they are not as important as the Campbell Tract for other



PROPOSED COOK INLET LAND TRADE

MEMORANDUM

State of Alaska

Department of Natural Resources
Division of Geological & Geophysical Surveys

TO: Michael C.T. Smith, Director
Division of Lands

DATE: January 2, 1976

FILE NO:

THRU: Guy R. Martin, Commissioner
Department of Natural Resources

TELEPHONE NO:

FROM: Cleland N. Conwell CNC
Mining Engineer

SUBJECT: Mineral Analysis of Proposed Cook Inlet Land Trade

On or about the 8th of October, Ross Schaff, Don McGee, and I met with you in your office to advise you of the value of coal land the State was proposing to give away. It is my recollection that we advised you at that time of the value of coal on these lands and of work in progress by the private sector in exploring the Beluga coal field. As I recall, all three of us, especially Ross and I, expressed personal disproval of the trade. It was and is our opinion that some of the most valuable land in the State is being traded for land that has little or no economic potential.

In direct comment on the articles by Mr. Galliett:

Don McGee and K. O'Connor in AOF 51, page 7, estimate 7.8 billion tons of coal in the Beluga field. Therefore, Mr. Galliett has a reference from a report of the Alaska Geological Survey. My only comment on the first article is that recovery of 50% of the coal is low by todays standards.

In reference to the second article, it is my understanding that Fish and Game have control of fishing and the streams. I believe that this is covered in Section 16 of the State Statuates, so there is no need to control the Lake Clark or Iliamna areas for the fishing potential.

In the 3rd article, Galliett appears to be accurate. I am sure we could check on the number of natives and the allocation, but the figures are approximately those that I have read.

With regard to the specific "Lands to be given by the State to CIRI":

Pt. MacKenzie (Appendix C - 1.B)and This is within the Anchorage area and is a valuable section for port facilities.

Knik-Willow (Appendix C - 1.B and 3) — This is an excellent recreation area near Anchorage. It contains the Nancy Lake State Recreation area, Meadow Creek Campground, and many lakes. There is both a coal potential and oil and gas potential in the area. Coal at one time was mined at Huston.

Kashwitna (Appendix C - 1.B) -- This is prime agricultural land - Ref: Alaskas Agricultural Potential, Alaska Rural Development Council, Publication No. 1, 1974. It also contains a site selected for the future capitol of Alaska. It is accessable by road and railroad, and has many home sites. The land has potential for fossil fuels and uranium.

Chickaloon (Appendix C - 1.D and 3) — This is excellent coal land and part is under coal lease. Coals in this area have a higher calorific value than the Beluga area, i.e., 7,200 Btu Beluga vs. 12,000+ Btu Matanuska. Some of the Matanuska coals have coking qualities. Therefore, Matanuska coals have a higher market value than Beluga coals. The railroad right-of-way to the area is retained by the Alaska Railroads. There are excellent home sites in this area.

Alexander Creek (Appendix C - 1.D and 3) — Coal, oil, gas, and uranium potential.

Salamatof (Appendix C - 3) and Kenai Peninsula (Appendix C - 1.E and 3) — These are excellent coal lands. The coals are nearly horizontal, therefore, favorable for mining. Several beds at least 5 feet thick underlie the area. Undoubtedly there are at least 11.7 billion tons of coal in these areas. In addition to the loss of coal there would be a loss of recreation along the beaches of the peninsula. This includes both clam digging and fishing. I have been informed by native groups that they intend to protect these rights, and prohibit non-natives from trespassing. A law suit on this matter is presently in court (Edwardsen vs. Morton). These lands also have a high agricultural potential. In the case of strip mining the agricultural potential could be utilized the year following cessation of mining.

Beluga (Appendix C - 2(a)) — This area contains the outcrops of the Capps and Waterfall coal beds which can have respective thicknesses of 27 and 50 feet. Some sections could contain 70 million tons of coal with a stripping ratio of less than 3 to 1. One township could contain 2.5 billion tons of coal. This is also an area of high agricultural potential, and experimental work has proven that reclamation can be done after strip mining.

In regard to the lands to be given to the State by the Federal Government:

a In general, these lands are underlain by Jurassic intrusives that have a low mineral potential for hard minerals, lack equivalent agricultural potential, lack the recreational value, because of inaccessability, and, if not selected by the natives might still be open to selection by the State.

In regard to the report by Dobey, Welch, and O'Conner:

There are many misleading statements in the report. I find errors in the calculations regarding the discounted cash flows. The Stanford Research Institute has a report issued in 1975 that gives figures that conflict with those of Robert Bottge. Nevertheless, assuming the inaccurate figures do have meaning, should the State give away such valuable revenue producing land?

By a separate memorandum I am requesting the report by Dobey et. all, be kept for in house use and not issued as an open-file report by the Division of Geological and Geophysical Surveys.

02-0010 (REV. 06-73)

MEMORANDUM

State of Alaska

Department of Natural Resources
Division of Geological & Geophysical Surveys

TO: Guy Martin, Commissioner of Natural Resources
Thru: Gil Eakings, Acting State Geologist DLE

DATE: January 2, 1976

FILE NO:

TELEPHONE NO:

FROM: Clela[illegible] N. Conwell CNC
Mining Engineer

SUBJECT: Economic Resource Analysis of Measured and Indicated Coals
November 28 1975
P.L. Dobey, J. Welch, K.M. O'Connor

At the request of Gil Eakins, Acting State Geologist, I have reviewed the subject report. I find that the report is misleading, contradicts Alaska Geological Survey open file report 951, is inaccurate and biased. I respectfully request that the report not be published as an open file report under your name and that of Ross G. Schaff. It may be of some use to Mike Smith within the department, but I feel that the quality is too low to justify publications as a Division Report. If published, the report certainly should be reviewed by Ross Schaff beforehand.

02-001B (REV. 06-73)

MEMORANDUM

State of Alaska

Department of Natural Resources
Division of Geological & Geophysical Surveys

TO: Michael C.T. Smith, Director
Divisi n of Lands

THRU: Guy R. Martin, Commissioner
Department of Natural Resources

FROM: Gilbert R. Eakin GRE
Acting State Geologist

DATE: January 2, 1976

FILE NO:

TELEPHONE NO:

SUBJECT: Mineral Analysis of Proposed Cook Inlet Land Trade

In response to your letter of December 29, 1975 to Ro.. Schaff, I requested Cleland Conwell, State Mining Engineer, to review the three newspaper articles by Harold Galliett and again to assess the tracts of lands involved in the proposed land trade.

I concur with Mr. Conwell's assessment that it is not in the best interests of the State to make the proposed land trade. A purely economic view indicates a high potential dollar value of the tracts to be traded to the Cook Inlet Native Association. Large reserves of quality coal are known, agricultural lands are present, and a reasonably good potential exists for petroleum and uranium. In addition, the lands to be given to CINA have wisely been selected near populated areas and where industrial and population growth may be expected. We believe the potential revenues are very significant and that an attempt to put a discounted cash value on the resources today is not a fair evaluation.

In contrast, the lands to be received by the State in the trade do not appear to have an important mineral potential, are relatively inaccessable, and are not suitable for development.

cc: Ross Schaff, State Geologist

02-001B

STATE
of ALASKA
DEPARTMENT OF NATURAL RESOURCES

MEMORANDUM

TO: Guy R. Martin
Commissioner

DATE : December 6, 1975

FROM: Michael C. T. Smith, Director
Division of Lands

SUBJECT: Proposed Cook Inlet Land Trade

PROPOSED COOK INLET LAND TRADE

Brief History

Because of existing federal withdrawals, state land selections and non-Native settlement patterns within Cook Inlet Region, Cook Inlet Region, Inc., unlike the other regional corporations created under ANCSA, has not been able to select lands which it considered of like and similar character under the formulae established by the Act. For approximately three years following enactment of ANCSA, Cook Inlet Region, Inc. ("CIRI") carried on a long series of discussions with the Secretary of the Interior in an attempt to insure its ability to select lands considered of like and similar character. While the Secretary made a number of withdrawal adjustments, he was not able to satisfy the Region and CIRI went to court seeking redress. Discussions continued between the two parties while litigation ensued and in approximately September of 1974, Interior solicitor Kent Frizzel made an offer to Cook Inlet which specified certain lands which the Secretary would convey to Cook Inlet in settlement of the suit. The "Frizzel offer" proposed, in part, to convey to CIRI ten surface and 15 subsurface townships within the Kenai National Moose Range, including the Swanson River oil field, as well as additional federal lands in the then Greater Anchorage Area Borough. These latter lands included certain parcels which had been eyed by the Greater Anchorage Area Borough for public open space and recreation purposes, more specifically Point Woronzof, Point Campbell, and at least a sizeable portion of the Campbell Airstrip tract. The State did not participate in these discussions and thus was not aware of all contents of the

"Frizzel offer" and the tremendous impact that it would have had upon State interests, particularly financially. CIRI declined the initial offer although it apparently later changed its mind. However, the offer had been withdrawn by that time.

The U.S. District Court ruled in favor of the Secretary in February of 1975, by which point CIRI had gone to Congress to gain support for its problem. Congressional support for some form of amelioration of Cook Inlet's troubles was found with Senator Jackson and Congressman Meedls. These Members of Congress, both Chairmen and both strongest and most effective advocates for Natives and Indians in their respective House, have each publically pledged to see that Congress protects Cook Inlet Region's ANCSA rights. This guarantee must be taken very seriously. Proposals were introduced which were essentially identical to the "Frizzel offer" and hearings were scheduled on these bills for May. At the same time, CIRI had indicated that they were going to appeal the District Court decision in the 9th Circuit. At this time, the Alaska Delegation and others in Congress suggested to the State that it explore the possibility of entering the discussions between CIRI and the Secretary to see if some mutually agreeable solution to Cook Inlet's land selection problem could be agreed upon which involved State land. Th was suggested for the reason that inadequate Federal land was available in e Region, and this was at the heart of the problem.

The State was thus faced with the following factors:

1. Some seven months previous an offer, largely unacceptable to the State, had been offered by the Secretary without significant notice to the State. Such an out-of-court or pre-legislative action offer might be again proposed by the Secretary without

State participation. This is a risk of not taking any State action.

2. Although CIRI had lost in District Court, its appeal to the 9th Circuit included a request that the court nullify the September 1972 agreement between the Secretary and the State of Alaska which gave Alaska selection rights to lands south and southwest of Mount McKinley National Park which CIRI claimed it should have been entitled to select. Should the court find in favor of Cook Inlet, the Secretary would be directed to make available to CIRI for its selection a more acceptable array of lands. The Secretary might then have to reject the State's approximately 484,000 acre selection in this area in favor of making these lands available to CIRI for selection. Additionally, if this should happen and the Secretary can respond to a reversal by the Ninth Circuit by seeking to recover from the State the 484,000 acres sought by CIRI, he might also be forced to recover, on behalf of other Regions, conservation groups and other parties aggrieved by the September 1972 settlement, the other of the remaining forty-three and one-half million acres covered by the September 1972 State-Federal settlement. Although the State would oppose any such legal result it remains a distinct possibility to this day. It is a risk of taking no action.

3. Assurances had been given by members of Congress (Congressman Meeds and Senator Jackson) that Cook Inlet would receive favorable legislation if their problem could not be settled by other means. The bills before the Congress at that time were essentially identical to the largely unacceptable "Frizzel offer." A similar bill is before Congress today as an alternative to the proposal below, and is a risk of taking no

State action.

4. The Congressional Delegation had asked that the State take a more active role in discussions to seek an equitable solution to the problem.

5. By entering the discussions, the State could seek to effect other land trades within the region which would guarantee certain favorable land ownership patterns as well as bring under state control specified areas which the State wished to select itself, but would be unable to select if a CIRI settlement were finalized without State participation.

On the basis of the above the State began discussions with CIRI and the Department of Interior in approximately April of 1975. The discussions continued, becoming particularly intense preceding the Congressional hearings in the middle of May. Because of the complicated nature of the discussions, and with additional time available following the May hearings, the discussions progressed throughout the summer and early autumn. At each hearing, the State responded to Congressional requests, and testified regarding progress on a negotiated settlement. Each time, the State and the other parties were requested and encouraged to continue the discussions, and were advised of Congressional time restraints. Following Congressional hearings in the latter part of September, the land trade proposal was almost complete and the State publicly presented the proposal on October 2, concomitantly holding numerous briefings of smaller, more specialized groups interested in the trade (borough governments, conservation groups, Chamber of Commerce, Legislators, etc.). A thorough press briefing was also held. Following public input, additional discussions were held with Cook Inlet Region and the Department of Interior to reflect public sentiment of the

proposal. Details of the public input and subsequent changes in the proposal based upon that input are documented in greater detail below.

Implications

If the State endorses the proposal and it is passed by Congress and implemented, the benefits outlined later will accrue to the State and other parties involved. If the State does not support the proposal, or if the proposal is not implemented for other reasons, a significant number of possible permutations exist with respect to the final outcome of Cook Inlet's selection problem. The four most likely are listed here, but others which would have profound effects are possible.

1. Cook Inlet loses its suit--The CIRI appeal is now in the 9th Circuit. Should the suit ultimately be lost, and no other remedy found, the Region would select according to the withdrawals presently in existence which precipitated the litigation. Selections would be in conflict with over 20 townships the State had previously selected and between 10 to 20 townships that the State would now like to select (including Kamishak Bay which is the prime lower west side harbor site in Cook Inlet). The pattern of Cook Inlet Region selections would be dispersed and would create difficult management patterns throughout the Region. Substantial land would be selected which is deemed more appropriate for public ownership and use (such as the harbor site and lands in the Lake Clark area).

   It should be pointed out that this result is somewhat unlikely, even if the suit is lost, because its loss would very likely precipatate unilateral Congressional action for the reason that these selections are generally regarded as inequitable to the Region.

2. CIRI wins its suit--ramifications of this alternative would depend largely upon the court's directives. Cook Inlet would undoubtedly receive lands of more like and similar character which would be more physically suitable for settlement and development, but such lands are likely to conflict with land uses thought more appropriate by the State. Swanson River revenues might also be included. Sizeable portions of the Kenai National Moose Range, which is also a State wildlife refuge, might be selectable by the Region. The State could lose selections totaling approximately 600,000 acres in the Upper Susitna Valley near Chalatna Lake if the court concurred with one of CIRI's requests for redress (further details are indicated on the attached maps). Much more importantly, the entire Alaska v. Morton out-of-court settlement of September 1, 1972 will be threatened in that the remaining forty-three and one-half million acres of state selected lands pursuant to that agreement would be in jeopardy from other Native regions or other groups who might like to see substantial portions of that state acreage in other ownership.

3. Congressional action--having made commitments to help Cook Inlet, and having waited a considerable amount of time for discussions among the three parties to prove fruitful, Congress might well legislate an alternative amendment over any objections made by the State or others. It is hard to be specific about the form such an amendment might take, however, there is good reason to believe that some alternate form of the "Frizzel offer" might emerge. As discussed earlier, this proposal has extremely unfavorable consequences for the State.

4. Administrative settlement--although the least likely of the four, some administrative settlement between Cook Inlet and the Secretary might be arrived at which would not be in the interests of the state. Past experience indicates that any settlement proposed by Interior must be, because of land availability in the Region, either unacceptable to the Region or if acceptable, then probably extremely unfavorable for the State.

Additionally, certain advantages which the State has been able to gain through the discussions would not accrue. Specifically, the ability of the State to guarantee its selection and ownership of lands in the Talkeetna Mountains, Kamishak Bay and, more importantly, lands in the Bristol Bay areas. If Cook Inlet is forced to select lands in the Lake Clark area, the State's bargaining chip of guaranteeing that those lands remain in public ownership would be lost, and our leverage to bargain decisively for state selection rights within the Lake Iliamna-Bristol Bay proposed National Resource Refuge would be lost. One of the most compelling advantages of this proposal is the leverage which ownership of lands in the Bristol Bay area may give the State in what may be the most important single post-ANCSA federal political decision in the State's history: The 17(d)(2) question.

Basic Objectives Of Proposal

Each of the three parties had its own objectives in the discussions and would emerge with certain specific benefits.

State--The objectives of the State were basically two.

1. State land ownership--by trading 21.4 townships the State would gain selection rights and control substantially larger areas of the Talkeetna Mountains, Chakachamna Lake, Kamishak Bay, and the Lake Iliamna

and Bristol Bay areas. In these cases the State has operated from the standpoint that the State is much more capable, because of governmental infrastructure and location, to more effectively meet the needs of its people by owning these lands than can the federal government which lacks the "local" governmental structure needed to respond effectively to Alaska's needs. The juxtaposition of the Talkeetna Mountains to the rapidly expanding population in southcentral Alaska will become even more critical upon the possible establishment of a new capital city, very possibly immediately adjacent to Talkeetna Mountain lands which CIRI presently plans to select. In the Lake Iliamna and Bristol Bay National Resource Range proposal approximately 15 percent of the lands will be under the control of private Native corporations. The State can more effectively administer to the requirements of its citizens in those areas if it owns the other lands within that region. Additionally, the tremendous dependence upon the salmon fishery resources of that region, and the current responsibility of the State to manage those resources, argue cogently that the State should also control the uplands in that area.

faulty logic

2. Land ownership pattern--as it is the State which must provide those services and governmental functions based upon the land ownership pattern which emerges from Cook Inlet's ultimate selections, it is very much in the State's interest to assure a favorable selection pattern. Under the proposal, ownership patterns would:

A. provide CIRI with lands physically well suited to settlement and development.

B. guarantee that such developable lands would be located in close proximity to existing government services and, therefore, significantly reduce future expense in providing communication, education, transportation, and public safety services to these areas.

C. hasten the development of these suitable lands in a much shorter time frame than could be expected for the remote lands which CIRI would otherwise be forced to select.

D. a sophisticated but critical point is the fact that certain State selection rights, such as the 11(a)(1) (ANCSA) issue, will have to be resolved very shortly. The State believes it can select in these areas, and if it prevails, such 11(a)(1) selections, in combination with the selections under this proposal, would result in a highly desirable State resource ownership patter, particularly in the Iliamna area.

faulty

It might well be emphasized that, although the State believes that its own ownership in this area is critical, an equally high value must be placed on simple consolidation of ownership under as few owner-managers as possible (regardless of who is the owner). This is so far the reason that it is a "mix" of ownership and management patterns that creates the greatest difficulties over the

long view for a large resource area.

CIRI--The basic objectives of CIRI are to obtain lands of more like and similar character to those historically occupied by their ancestors within the Cook Inlet Basin. The proposal would largely accomplish this, although the Region will have reduced its entitlement significantly in obtaining these more suitable lands and would be taking over 50 percent of its entitlement outside the Region. The benefits to the 6,000+ members of Cook Inlet Region, Inc. would be increased, and as members of the Southcentral Alaska community these benefits would have substantial favorable economic and social impacts upon the State. Most important, the Region would finally have accomplished certainty in its selections, which is extremely important for the stability of the Corporation.

Federal Government--The objectives of the Federal Government were to settle the responsibilities of the Secretary with respect to the requirements of ANCSA and to accomplish this in a manner which would have minimal impacts upon other values for which the Secretary is charged with protection. More specifically, the proposal would permit a more acceptable incursion into the Kenai National Moose Range, thus protecting fish, wildlife and their habitat as well as the substantial recreational values of the Refuge. The proposal would also leave certain key areas in the Lake Clark area under Federal control and management. This makes sense in terms of other Federal ownership in the area. Most important, it would settle with finality one of the most difficult and complex legal and resource issues under ANCSA, one which has

required substantial governmental resources.

Negotiation Process

The first approach to the State requesting State participation in land trade discussions occurred in mid-February when Andy Johnson, President of CIRI, met with the Director at the Division of Lands. Following the loss of its District Court suit, and the resultant hardening of the Department of Interior's bargaining position, Cook Inlet then took the legislative solution route and only occasional discussions among and between the three parties occurred during the remainder of February, March, and early April. However, as it became obvious that a legislative solution not in the State's interest was a real probability, and following a request for State participation during Congressional hearings, a decision was made to pursue discussions concerning the proposed trade. At this time, the Commissioner and Governor were briefed, guidelines and general policies and objectives were set, and authorization was procured.

Somewhat regular meetings began in approximately mid-April and intensified considerably toward the latter part of April and the first week of May. By this time considerable public interest had been generated by media reports of the proposed amendment and the Anchorage Area Borough, in addition to the State, was working with representatives of CIRI on a very regular basis. Discussions on the part of the State were led by the Director of Lands. Staff assistance was requested when necessary and various staff attended certain of the meetings. Other divisions within the Department of Natural Resources, particularly the Divisions of Oil and Gas and Parks were consulted to a significant extent and other departments were asked to input when it was felt certain terms in the discussions affected their areas of interest. The Division of Aviation and the Department of Fish and Game were particularly involved. The ongoing progress of the discussions was regularly transmitted to the Commissioner of Natural Resources.

By the end of the first week in May substantial progress had been made and it appeared that CIRI would be willing to withdraw its proposed amendment on the basis of the tentatively proposed agreement. However, it was explicitly stated to the Region and Interior Department that final State concurrence could not be had until a public review and comment process had been effected. CIRI understood this and agreed to request that Congress not act immediately on their proposed amendment, but rather allow enough additional time for the proposed land trade to be agreed to by all parties. On May 7 a briefing was conducted by the Director of Lands for the Commissioner, the Governor, and the several appropriate department heads in Juneau. On the basis of that presentation and ensuing discussions, the decision was made for the State to also request that Congress refrain from acting on Cook Inlet's proposed amendment immediately and to allow additional time within which the parties could move to a final agreement following public input in Alaska.

On May 16 the Commissioner and the Director presented such testimony to the appropriate House and Senate Interior Subcommittees respectively. Prior to this testimony the three members of the Alaska Congressional Delegation and appropriate staff were briefed in considerable detail concerning the tentative proposal as it then existed.

Shortly following the Congressional testimony, the Cook Inlet Region, Inc. Board of Directors, for internal reasons not fully understood, voted to reject the then existing proposal and this led to an approximately three week period during which little discussion occurred between the State and CIRI. The lack of agreement was based primarily upon the Region's insistence that it ultimately obtain full surface entitlement under ANCSA, even if outside the Region. The State felt that full entitlement in addition to the lands which the State had proposed to trade to CIRI

was unacceptable. The latter part of June, following some Region concession on the full entitlement issue, discussions began again and continued intermittantly throughout July, August, and September as Congressional deadlines for action continued to recede. The extra time available was invaluable in allowing the State to more closely scrutinize various aspects of the proposal and to work with the Interior Department to insure the State could agree with the concessions which Interior was proposing. During this period additional meetings with the Congressional Delegation, other division and departmental staff and representatives from CIRI occurred. Documentation of these meetings is contained in greater detail in the file.

On September 24 additional testimony was presented before Senator Haskell's Interior Subcommittee concerning the proposal. Presentations and discussions were held with various interested parties in Washington, including the Congressional Delegation, and a more detailed presentation concerning the state-federal aspects of the proposal was made by the Commissioner and Director to the Department of Interior's Alaska Task Force.

On September 26 the Director announced that a public briefing of the proposal would be held in Anchorage on October 2 with public testimony to be received orally on October 3 with an additional period for written input. On September 30 a very detailed briefing of the proposal was made to both Division of Lands staff and a second briefing to representatives from other divisions within the Department of Natural Resources and representatives of other State departments. On October 1 another very detailed briefing was given to the Press, radio, and television media. Before the public presentation additional detailed presentations were made to various groups which had expressed considerable interest in the ongoing discussions. These included representatives of three affected municipal governments (Anchorage, Matanuska-Susitna Borough, Kenai Borough),

Legislators, and environmental groups. Public presentation on October 2 and the meeting the following night for public input were very well attended and, in response to requests for a similar hearing in Fairbanks, another presentation was made in Fairbanks on October 7. As a result of the media campaign and the public meetings, significant public input was received and a number of meetings were held between the Director and interested parties as well as several additional detailed briefings to groups specifically requesting them. These latter included the Bureau of Land Management, Anchorage Chamber of Commerce, Kenai Borough Assembly, Capital Site Selection Committee, and the Federal-State Land Use Planning Commission. A summary of the input from the public and the various interested groups, as well as the State's response to this input, is detailed later.

Specific Nature of Proposal

The proposal is basically composed of three different parts; a State-CIRI agreement, a CIRI-Federal agreement, and a State-Federal agreement. All aspects of each sub-agreement must be executed before the entire proposal would be binding. In essence, the State of Alaska would make available to CIRI State lands which the Region feels are of like and similar character to those lands which it has historically used. In return, the State would fall heir to approximately one-half of Cook Inlet's 12(c) entitlement in the Talkeetna Mountains, Chakachamna Lake, Lake Clark, and the Kamishak Bay areas. The remaining approximately one-half of Cook Inlet Region's 12(c) entitlement would remain in federal hands and the Federal Government would in turn convey to the State an equivalent amount of acreage in the Bristol Bay area. Additionally, the Federal Government would convey to Cook Inlet certain other lands within the region, including lands from the Kenai National Moose Range, as well as a total of approximately 26 townships to be selected from federal lands outside of Cook Inlet Region.

Because certain Cook Inlet Region village selections have or are likely to impact state, federal or CIRI interests related to Cook Inlet's selections, smaller sub-agreement proposals have been discussed with approximately seven villages or groups. These proposals function very rationally within the framework of the Cook Inlet Region selection proposal. Without the inclusion of these sub-agreements the interests of one or more of the three major parties would be likely frustrated by the existing village or group selection patterns.

Attached as Appendix A to this document is a more detailed breakdown of the specific asnects of the "original" proposal as presented publicly on October 2. Each aspect of the proposal was specifically keyed by number to an attached map which shows the location of that particular aspect of the proposal. Each aspect was also briefly explained as it pertained to the overall proposal. With only a few exceptions those aspects were the same ones which we had been discussing since last May and, therefore, there was relatively little new with respect to the proposal at that time. Following public input, as described below, and as a result of the U.S. District Court's finding Salamatof and Alexander Creek as certified villages, the proposal was modified and is shown in its final form under the "Current Status" hearing below.

Characterization of Public and Agency Input

The more or less finalized "original" proposal was presented to state agencies and the public in detail during the first week of October. As a result of this process input was received from many sources, primarily the public. This input was used for a series of additional sessions with CIRI in which significant modifications were made. This resulted in the "modified" proposal described later. The characterization below represents agency and public input with respect to the "original" proposal before modification.

As with the public input, other state agencies generally supported the concept of the State's attempts at insuring rational land ownership patterns. One aspect of the proposal, that of the approximately 12 township selection in the Beluga area, generated significant comment from the Division of Geological and Geophysical Survey as well as the Minerals Section within the Division of Lands. This input, both oral and written, emphasized both the amount of known and inferred coal reserves as well as the potential for coal exploitation under various conditions. While general parameters of the coal resource in the Beluga area had been known during the discussions with CIRI, more detailed and specific input from those agencies was requested and received. The specifics of this input may be found in the case file. Input from other state agencies which requested specific alterations or suggestions, e.g. the Department of Highways, was inputted during the modification discussions and this input may again be found in the file. Other agencies generally expressed approval either orally or written of the basic aspects of the proposal.

Public input following presentation of the "original" proposal came in both oral and written form. The vast majority of respondents indicated favorable support for the concept of the State entering the discussions and the general expression was that, with the exception of certain aspects of the proposal, the overall benefit which accrues to the State outweighed any deficits involved. Against this background of significant public support for the concept of the proposal, eight specific areas were singled out which received comment.

1. Mental Health Lands - Testimony brought out the fact, inadvertently overlooked by all parties, that approximately six and one-half townships from within the original pool of land CIRI could select from in the Beluga area had been selected by the State as mental health lands. Input and interest concerning these lands was received not only at the public hearings but

also through several telephone calls from interested members of the public. It might be noted that this finding alone made the extensive public process invaluable, and demonstrates the need for public exposure on all similar complex issues.

2. Coal Deposits - By far the most controversial aspect brought out by the public hearings and subsequent input concerned the inclusion of the "Beluga Coal Fields" in the proposal. Concern was genuinely expressed, although facts, figures and questions were often uninformed in nature. However, the sum total of input at the public hearings, from interested calls and appearances at the Division of Lands by interested parties, and inquiries from several groups indicated a definite feeling that significant acreage of lands with coal potential were felt to be "too much."

3. Insufficient Time - A number of comments were received which indicated that because of the complexity of the proposal insufficient time was available within which to satisfactorily study and comment. Interested parties were understanding of the fact that the "deadlines" were largely a result of a Congressional time schedule beyond our direct control, but the feeling of inappropriate time constraints was still evident. Later announcements by the State that over five weeks were available for public input ameliorated this feeling considerably.

4. State Agency Input - A few respondents indicated that they felt that insufficient input had been received from some State agencies during the negotiation process. While such comments generally indicated an understanding that specific recommendations from all agencies could not necessarily be accommodated in the proposal, the feelings were that all resource aspects should be addressed equally before a final decision is made on the proposal.

5. Legal Aspects - Two respondents raised the question of the authority of the State to enter into such a proposed trade. Their comments were almost exclusively directed at the authority of the State to alienate sub-surface resources in apparent contradiction to the Alaska Statehood Act and to the process by which "equal value" was determined.

6. Parks and Recreation Protection - A very significant number of respondents indicated approval of those few aspects of the proposal which offered some measure of protection for future open space and/or recreational options.

7. Accelerated Development - Several respondents indicated a favorable disposition to those aspects of the proposal which, by providing the Native corporations with lands appropriately located and suitable for development, would hasten the settlement and development of these lands in a manner which would favorably impact the State's economy. It was also felt that the location of private development in the Cook Inlet basin was appropriate and timely.

8. Extra-Regional Selection - Comments were received from three regional corporations which protested the out-of-region entitlement for Cook Inlet. These comments centered largely on a fear that CIRI's interests would not be compatible with those of Native residents of other regions, particularly with respect to CIRI's responsiveness to their life styles and subsistence needs. A fourth region, however, testified in favor of the proposal.

At a meeting of the Alaska Legislative Council in Anchorage on November 4, a presentation to the Council concerning the proposed Cook Inlet land trade was made by Mr. Harold H. Gallett, Jr. Mr. Gallett was particularly concerned with the Beluga lands aspect of the proposal. Not being familiar with the

"modified" proposal which resulted from public input of the preceding month, Mr. Gallett's presentation unfortunately conveyed some erroneous information. As a result of the presentation and an ensuing discussion, the Council became very interested in the proposal, and a subcommittee, chaired by Senator Kay Poland of Kodiak, was appointed to look into the matter and to report back to the Council. This subcommittee met in Juneau with the Governor, Commissioner of Natural Resources, and Director of Lands on November 7. In addition to Senator Poland, other Legislators present included Senator Rader and Representatives Smith, Miller, and Specking. The session included a detailed presentation of all aspects of the proposal followed by extensive questioning. The session lasted approximately three and one-half hours. On Monday, November 10, a conference telephone call was held among members of the Legislative Council concerning the proposal and the response of the Council was made in a letter from Council Chairman Genie Chance to Commissioner Martin on November 12. The Council felt that because of the early time deadlines and complexity of the proposal that the Council was in no position to either condone or oppose the trade proposal. Senator Chance did, however, indicate that members of the Council were free to express individual opinions on this or future land trade proposals.

The press was somewhat indecisive in commenting on the entire proposal. The "Daily News" did not discuss specifics, but rather applauded this attempt by government to actively participate in a proposal which would have such a great effect on the State. The "Daily Times" pointed out some of the benefits to be accrued, particularly the aspects of putting lands more suitable for development into native hands at an early time, but also questioned whether all aspects of the trade had been publicized so that a full and complete judgement might be made by the public. More recently, following the interest expressed by the Legislative Council in early November, the "Times" questioned

why the State was even involved in the matter in light of the paper's feeling that the problem was really one between the Federal Government and the Natives.

Generally, press coverage of the entire process has been extensive, and it is safe to conclude that public exposure, for those who chose to follow the issue, was extremely hig The Press briefing given by the State regarding the initial proposal was probably the most extensive ever given on any issue regarding State lands.

Current Status

As a result of public and agency input certain substantial changes were made to the tentative proposal which was made public during the first week of October. In addition, the decision by Judge Gazell in the United States District Court, which found that the villages of Salamatof and Alexander Creek were certified and therefore entitled to select large acreage within areas very important to the agreement, caused other necessary changes to the original proposal since certain aspects of the proposal sought an agreement before a decision was rendered. The significant changes to the "original" proposal, which have resulted in a "modified" proposal, are outlined below.

1. Beluga Area--the original proposal would have permitted CIRI to select 12 townships from a pool of approximately 22.5 townships in the Beluga Area. The modified proposal would permit CIRI to select 13.5 townships out of a pool of approximately 16 townships. The reduced pool reflects the 6½ townships of Mental Health lands which were withdrawn from the pool. This reduction would leave approximately 75 per cent of the measured or indicated coal reserves in State ownership. Despite this very significant diminu-

tion of value to Cook Inlet Region, the modified proposal calls for only 1.5 additional townships which may be selected from the diminished pool. In addition, a much larger area on the coast southwest of the Tyonek Reservation would remain in State ownership for future resource development in that area. Rather than CIRI owning a land corridor from its selected lands to the coast, the State would guarantee a public right-of-way for various resource and other transportation needs.

2. Bristol Bay Area--the original total of approximately 30 townships in the area of the Interior Department's Lake Clark d(2) proposal which were to be traded by the State in return for an equal number of townships in the Bristol Bay Area has been reduced to approximately 25. This change resulted from a determination by the State that it would be of greater benefit for the State to receive title to approximately 5 townships in the Lake Chakachamna Lake area. In addition to the inherent value of these lands, the Interior Department is very interested in these townships for inclusion in its d(2) proposal. For this reason, the State would retain a very strong bargaining position by obtaining title at this time to those lands.

3. Anchorage Bowl Federal Surplus Lands--while the original proposal specifically prevented CIRI from obtaining title to Federal Surplus Lands in the Campbell Tract, Point Campbell and Point Woronzof withdrawals, the modified proposal goes further in also protecting the Goose Lake withdrawal and in guaranteeing transfer of the Campbell

Tract to the State immediately and the Point Campbell and Point Woronzof of those surplus properties to the State or the Anchorage Municipality surplus properties as soon thereafter as possible.

4. Other Federal Surplus Lands Or Withdrawals--the original proposal permitted CIRI to select up to 3 townships of Federal lands in the Cook Inlet region from a pool of Federal surplus property, revoked Federal withdrawals and unperfected public land entries such as homesteads, etc., on an acreage basis. The modified proposal recognizes that such Federal lands may have significant economic values and there is therefore a provision to reduce CIRI's selection entitlement by 1 acre for every $500 of land value selected by CIRI from such Federal lands. In addition, the State is given certain veto and appeal prerogatives to insure that public interests are protected prior to selection by CIRI.

5. Extra-Regional Selections--In response to input by other Native regional corporations which expressed apprehension at CIRI's ability to select lands in close approximation to their land selections, the modified proposal permits affected village and regional corporations outside Cook Inlet to exercise a veto over CIRI's land selections in their 11(a) withdrawals. This will assure the other Native corporations of protection for subsistence, economic or other values. To insure that CIRI would have sufficient lands available to select from, the modified proposal permits CIRI to select from d(1) lands extra-regionally by following a selection process which guarantees both the Federal and State governments a role in determining the location of selections and in protecting each government's own specific interests.

6. Kenai National Moose Range--the District Court's finding that Salamatof is an eligible village immediately impacted the Moose Range with an additional 56,500 acres of selections. Since it appears the Federal government may appeal the decision, the impact and final date of land selections on the refuge are unknown at this time. The modified proposal therefore assumes a maximum selection by all Native corporations of approximately 108,000 acres. If the Federal government appeals and is successful, then the lands otherwise selected by Salamatof would probably go the CIRI as shown in the original proposal. However, if Salamatof does remain an eligible village, CIRI would obtain lands in the refuge only to the extent that some of the villages were willing to trade out of the Moose Range and make lands available for CIRI. In essence, therefore, total impact upon the refuge would remain roughly the same as in the original proposal; the only difference would be which corporation would own the lands.

7. Lake Clark Village Selection Tradeouts--as a result of the District Court decision which found Salamatof and Alexander Creek as eligible villages, the acreage of village selections in the Lake Clark area approximately doubled. Although the State would still trade out those village selections on a 1 for 4 basis, total State acreage involved would remain about the same. The only differences from the original proposal would be that 4 rather than 2 villages would be involved, and the Federal government would be required to provide any other additional acreage from within other village deficiency withdrawals.

Eight specific aspects of the original proposal were commented upon during the public input process. These aspects are outlined above on pages 15-17. Aspects number 1 (Mental Health lands) and 2 (coal deposits) were very substantively addressed and the changes described under number 1 of current status above. Aspect number 3 (insufficient time) has been taken care of by the continued Congressional postponement of action which has provided over 60 days for public reaction and input. Aspect number 4 (State agency input), if a valid basis for comment ever existed, was also addressed during this 60 day period. Contacts with most state agencies, particularity the Division of Geological and Geophysical Survey, resulted in additional comment and input from these agencies. The Division of Geological and Geophysical Survey in particular submitted additional memoranda and reports concerning resource values in the Beluga area. Items number 6 (Parks and Recreation Protection) and 7 (accelerated development) were merely supportive of certain aspects of the original proposal. These aspects were retained in the modified version. Aspect number 8 (extra-regional selection) was specifically addressed in number 5 under current status above. Only aspect number 5 (legal aspects) of the public input summary has not yet been specifically addressed in this memorandum. These legal points of the proposal are discussed in greater detail in the following section.

Major Considerations Before Decision

Two important considerations in all land exchanges were emphasized by a few members of the public and also by the Special Legislative Council Subcommittee:

1. Is there existing legal authority to conclude an exchange?
2. Would the State be receiving at least equal value for the value it gives?

These aspects had, of course, been investigated by the State at the onset as an integral part of any such decision-making process.

1. Authority - It is the opinion of the Attorney General and, we believe, of most other attorneys who have addressed the matter in detail that the Executive presently has State statutory authority to undertake this proposed land exchange. Authority has apparently existed since the enactment of the Alaska Land Act shortly after Statehood for the State to conclude an agreement such as this land trade proposal. Under AS 38.05.020(b)(2), the Commissioner, and, under AS 38.05.035(a)(14), the Director, have several times since Statehood entered into land trades or other agreements affecting lands that were not treated as sales or leases under the Land Act. Additional specific authority for land exchanges such as the present proposal was provided by the 1972 Legislature in the form of AS 38.95.060 as a counterpart to Section 22(f) of ANCSA. Among other things, this law permits the State to exchange land or interest in land with a Native corporation for the purpose of affecting land consolidations or to facilitate the management or development of the land.

The authority cited above does not prohibit the alienation of minerals as proposed in the trade. Although there is no State statutory obstacle, the Statehood Act prohibition against such alienation, found in Section 6(i), is regarded by some as a Federal constraint. Many persons take the position that Section 6(i) has been amended by implication in Section 22(f) of ANCSA so that it does not come into play in such exchange transactions. To erase any questions, the Federal Legislation which will implement the land

trade proposal will specifically address this matter to remove any doubt as to Congressional intention regarding state authority to enter into such a proposal.

2. Equal Value Consideration--In determining whether equal value will be received for value given in an exchange such as this proposal, there are basically two different types of "values" which require consideration. One is a value which can be determined with reasonable accuracy to have an economic value, often expressed in dollars. Secondly, there is value which either may be capable of expression in economic terms but for which a specific dollar value cannot be estimated with any particular degree of certainty at this time, or for which an economic value may never be specifically determined. However, values in this second category are very real and a reasonable person would recognize their existence and importance in computing the overall value received or given in a trade. With respect to this proposal paragraphs A and B below outline, respectively, the two types of values mentioned above.

A. Economic Values--The information presented below represents a summary of economic values identified with respect to State interests in the proposal. The information is based upon reports from various State sources and is expressed in terms of current 1975 dollars, i.e. economic values of resource potentials such as the Beluga coals have been discounted back to present day value. Only those resources specifically known to exist were valued. For example, although there are unquestionably very real and significant subsurface economic mineral values on lands which the State

would receive under the proposal, since they are as of this time unidentified no attempt was made to infer a particular economic value. In the Beluga area where certain measured or indicated reserves exist, however, estimated valuations were made.

Under the proposal the State would exchange approximately 21.2 townships of its land in return for 51 townships of Federal land and the right to select, at the State's discretion, an additional 20 townships. Also, the State would receive title immediately to the Campbell Tract in the heart of the Anchorage Bowl as well as a commitment to an expedited transfer of the Federal surplus lands at Point Campbell and Point Woronzoff. In estimating the economic value of the lands to be given and received by the State, estimates were made on the value of the land itself, any timber thereon, and any known mineral resources thereunder. The table below summarizes these values. Documentation may be found in the files.

TABLE I.

ESTIMATED ECONOMIC VALUES, IN PRESENT DOLLARS, OF LANDS GIVEN AND RECEIVED BY THE STATE

LANDS GIVEN BY STATE

LOCATION	ACREAGE	VALUES ($MILLIONS) LAND	MINERALS	TIMBER	TOTAL
Scattered Tracts	69,721	15.7	---	1.8	17.5
Kenai Penn.	107,650	16.1	---	1.3	17.4
Beluga	314,640	22.0	15.9[a]	1.2	39.1
TOTAL	492,011	53.8	15.9	4.3	74.0

LANDS RECEIVED BY STATE

LOCATION	ACREAGE	VALUES ($MILLIONS) LAND	MINERALS	TIMBER	TOTAL
Kamishak Bay	276,480	11.1	---	.2	11.3
Koksetna R.	161,280	6.4	---	.2	6.6
Talkeetna Mts.	161,280	6.4	---	.1	6.5
Bristol Bay	576,000	23.0	---	---	23.0
Campbell Tract	3,930	5.9[b]	c	c	5.9
Pt. Campbell	1,179	6.6[d]	---	---	6.6
Pt. Woronzoff	593	4.2[d]	---	---	4.2
Capt. Cook Rec. Area	4,800	.8	---	.1	.9
TOTAL	1,228,742	64.4	---	.6	65.0

NOTE:

a. The 15.9 value for the Beluga Coal resources is based on the middle of three scenarios for production in that area (pessimistic, medium, optimistic). The value has been discounted at eight percent from future revenues to present dollar values. The most optimistic scenario, which makes several very optimistic assumptions, would yield a discounted value of $38.2 million (figures attached to memo).

b. A very conservative figure of three thousand dollars per acre has been assumed for the Campbell Tract. This figure has then been discounted fifty percent under the assumption that if the State did not gain immediate title to the area under this proposal it would still stand a respectable chance of obtaining the land at some time in the future.

c. Although other values including timber and specifically gravel are found on the Campbell Tract, sufficient data were not immediately available to make a good estimate of value. However, the value of gravel alone, located as it is within the center of the Anchorage Bowl, would be very substantial, certainly totalying in the millions of dollars.

d. As with the Campbell Tract the values of the Point Campbell and Point Woronzoff surplus lands has been discounted to recognize that the State might obtain these lands at some unknown future date in other ways if the proposal is not executed. However, because these lands are outside of the two-mile radius of the old city boundaries, and because they are not as important as the Campbell Tract for other public purposes, there is a measureably greater probability that these surplus

Table I. NOTE d. continued.

lands would go to CIRI under some other form of settlement of their claims. Therefore, the conservative values of $8,000 and $10,000 per acre, respectively, are further discounted only thirty percent.

To the values to be received by the State as estimated above must be added values which, if the proposal is not consummated, might be lost to the State. The two most prominent values in this category are the ninety percent royalty revenues which the State receives from oil production in the Swanson River area of the Kenai National Moose Range, and 26 townships of state selected land which CIRI would select if they prevailed in their court suit and the Secretary made such lands available for native selection by refusing to convey them to the State. Any estimation of the value of these two possibilities to the State must assume certain levels of probability that the situation would occur without execution of the proposal.

Swanson River Revenues--There are any number of factors which may enter into assuming a probability that the Secretary or the Congress might convey to CIRI substantial subsurface title in the Moose Range. While only 15 months ago such a possibility would have seemed small to the State, ownership of 15 townships of Moose Range subsurface estate was offered to CIRI by the Secretary in September of 1974. Had CIRI accepted the offer at

that time the possibility of that event would have been one-hundred percent. In view of both that offer and Congress' assurance to CIRI of some settlement of their land claims problem, and assumption of a .5 probability does not appear unreasonable. Using State revenue projections for oil and gas royalty receipts from the Moose Range for only the next 14.5 years, and discounting those revenue projections at eight percent, a figure $41 million is obtained. Use of a probability of .5 yields an estimated value of $20.5 million.

Chalatna Lake 26 Townships--In assuming a probability that the State might lose title to lands currently selected south of Mount McKinley National Park in the Lake Chalatna area two probabilities must be estimated. The first is the possibility that CIRI would prevail in its court suit. Assuming that CIRI did prevail, a probability must then be estimated as to whether the Secretary would attempt to break the 1972 out-of-court settlement of Alaska v. Morton and whether he would be successful in that attempt over almost certain State court action. Numerous agruments may be proposed regarding these two probabilities but for this analysis probabilities of 50 and 40 percent respectively are used. Applying these probabilities to an estimated current land value for the 26 townships of $24.0 million and an estimated value for timber of $3.3 million, a value of $5.5 million is found.

A third value which must be estimated is that of the

additional 20 townships which the State may select at its discretion. Although statehood selection entitlement would be used, three factors must be considered. First, there is a possibility that the State may never be able to exercise its full selection rights under the Statehood Act and that the State must look closely at every opportunity it has to select lands. Secondly, the lands which could be selected are, relative to the lands that will be remaining after implementation of ANCSA and settlement of the d(2) question, certainly in closer proximity to existing state lands and populated areas. Thirdly, an exercise of State selection rights would be the first selections under the Statehood Act in the past four years. In other words, the "right to select" certain lands now that are in close proximity to existing st ' selections is in and of itself of value. Using the very conservative total value for these lands of $40 per acre, and discounting the 20 township selection right by a factor of two-thirds to account for the use of selection entitlement, the result is an estimate of $6.1 million.

Thus, the total estimated value of the three factors described above is $32.1 million. This total, when added to the estimated appraised values cited in Table I. above, gives a total estimated economic value to the State of $97.1 million. To this total must be added or subtracted the values described below to which a reasonable economic value cannot be applied at this time, or perhaps ever,

with any degree of certainty.

B. Other Values--As mentioned earlier, there are two types of other values which must be taken into consideration for purposes of evaluating this proposal. First are economic values which cannot be identified with any reasonable specificity at this time, and secondly there are those values which might never be capable of having a specific economic value attached to them, but which are unquestionably of significant value none the less. Paragraphs number one and two below present, respectively, positive and negative values to the State associated with the present proposal. Although certainly not exhaustive, the listing attempts to outline the major non-economic values involved.

1. Positive Values--the following positive values would accrue to the State should the proposal be consummated.

(a) CIRI Court Suit--as explained earlier in this memorandum, if Cook Inlet wins its appeal the State might lose not only considerable acreage from its present selections south of Mt. McKinley National Park, but it might also lose substantial additional lands should the September 1972 out-of-court settlement with the Secretary be abrogated. In view of the District Court's decision that the Secretary was in error concerning his finding eleven villages ineligible, Cook Inlet Region's chances

of success with its court suit were measurably increased.

(b) Moose Range Surface Protection--private surface ownership within the Moose Range would be kept to a minimum, thus protecting the very significant wildlife and recreational values of the Moose Range. The Moose Range is also a state wildlife refuge and its already tremendous value for recreational pursuits including hunting, fishing, canoeing, etc., will continue to grow with increased settlement and development of state and private lands outside the refuge on the Kenai Peninsula. Some, however, would argue that maximum Moose Range lands should be given to the natives so that development may occur.

(c) Suitable Lands In Private Ownership--the state lands received by the Native corporations are lands suitable for settlement and development because of physical characteristics and location, thus substantially reducing future costs to the State to provide services to these areas. Additionally, the Native corporations receiving these lands will be in a much better position to develop them at an earlier date, thereby stimulating economic development and providing an

additional tax base both to the State and to the local governments involved.

(d) Kamishak Bay Lands--under the proposal the State would receive title to approximately 12 townships of land on the west side of Cook Inlet on Kamishak Bay. These lands would represent the only State presence on the west side of Cook Inlet for at lest 400 miles south of Kalgin Island. Kamishak Bay itself, owned by the State, is believed to have significant oil and gas resource potentials and these coastal lands represent the only feasible areas for onshore development facilities. This proposal would put these lands in State hands. Additionally, the terminus of the Interior Department's "western transportation corridor", which originates in Petroleum Reserve Number 4, terminates on Bruin Bay which the State would also receive.

(e) Talkeetna Mountain Land--the State would receive approximately 14 townships in the Talkeetna Mountains area, some of which would be located immediately adjacent to currently State patented land. Three of these townships are contiguous to one of the three final sites to be considered for the new State Capital. Additionally, the proposal would bring to

State ownership lands otherwise selected by Native groups which would be included in the current Talkeetna Mountain State Park proposal. The land trade would permit a manageable park boundary proposal to be established, thus obviating the inevitable costly routine of buying back private property in the future. Also, watershed protection for a new Capital or for other settlement to the west would be assured.

(f) Addition To Captain Cook Recreation Area--the proposal would insure that a minimum of 7 sections of land would be added to the Captain Cook Recreation Area from federal lands within the Moose Range. Otherwise, Native selection of these sections would result in a significantly less manageable recreation unit.

(g) Public Lands--the proposal would insure that lands with significant public interest would remain in public ownership, particularly in the vicinity of Lake Clark. In addition, the State would receive lands in the Chakachamna Lake area which would give the State significant bargaining power in influencing federal action with respect to hunting, mining or other State interests in any permanent federal withdrawal in the Lake Clark area.

(h) Increased State Presence In Bristol Bay--the proposal would increase the State's presence in the Bristol Bay area by gaining for the State approximately 25 townships of d(2) land in addition to the 12 townships on Kamishak Bay. The 17(d)(2) land would, of course, be otherwise unavailable to the State. This enhanced state position will strengthen the State's bargaining power with respect to the proposed National Resource Range in the Bristol Bay-Lake Iliamna area. If the Resource Range proposal is adopted as presently proposed, the State, with the single exception of the Wood River-Tikchik area, would be totally removed from any significant land ownership position west of Cook Inlet.

(i) State Interests In Other Federal Lands--under the proposal other federal surplus lands and unperfected public land entries which might go to CIRI within the region would be subject to a State veto and/or appeal process to protect State and public interests in these lands. Since the eventual settlement CIRI receives, whether by agreement, legislation, or by court action, will undoubtedly include these lands, the proposal represents the State's only opportunity to participate in protecting the public interests on these lands. As an example, the Bradley Lake Power Withdrawal is specifically protected from Native ownership; if the withdrawal should

be revoked, it could be selected by the State.

2. Negative Values--the following negative values would accrue to the State should the proposal be consummated.

(a) Beluga Coal Management--the proposal would remove the State from its current position of almost total ownership of lands in the Beluga area by putting into CIRI's hands approximately 25 percent of the measured and indicated coal reserves and surrounding lands which may contain additional reserves. While the State would still of course have very substantial environmental controls over mining through its air and water quality standards, etc., and while it could pass surface mining legislation applicable to private lands, it would lose the additional landlord power to control strip mining operations. However, with regard to revenues, the State would lose its royalty interest, but all informed opinion agrees that a severance tax would yield the best returns, and is the proper course for the State to follow.

(b) Loss of Port Area--approximately 7 sections of land northeast of the village of Tyonek with potential for industrial development and docking facilities would be transferred to native hands. Perhaps the best site on the west side of northern Cook Inlet, which is located just to the south of these 7 sections, is already owned

by the village of Tyonek. The State would retain, however, another site of at least equal suitability and potential just west of the Tyonek village lands. This latter site is the one which has benn primarily suggested and studied from the standpoint of the use and/or shipping of coal from the existing coal leases in the Beluga area.

Economic Summary--As mentioned earlier in determining equal value two types of value have been used; value in economic terms and value in a sense which cannot be strictly expressed in dollars. As outlined above, the economic values themselves which accrue to the State are in excess of those values which the State relinquishes. These are calculated as shown below.

TABLE 2.
SUMMARY OF ESTIMATED ECONOMIC VALUES ($MILLIONS)

GIVEN BY STATE

Existing values relinquished	74.0
TOTAL	74.0

RECEIVED BY STATE

New values received	65.0
Existing values not lost	32.1
TOTAL	97.1

To the total economic values received by the State the non-economic values cited above, both positive and negative, must be added. Since the degree to which these non-economic values accrue positive or negative benefits to the State is somewhat subjective certainly no quantifcation is possible. However, they are very important considerations and any decision making process must reasonably incorporate

them in determining the overall equal value consideration.

Finally, it should be emphasized that the agreement represents a negotiated settlement, which is an extremely important factor. First, it can certainly be suggested that negotiation, particularly regarding non-quantifiable items, is man's best procedure for reaching equity. While this is not relied upon for legal foundation here, it is nonetheless crucial for public policy reasons.

Second, a settled three party negotiation implies that each has left the bargaining feeling that either he got a fair and equal share, or more likely, a better share than the others. The Director would certainly assert the latter in terms of a negotiated value for the State, but would recognize that each party may feel the same for its own reasons and seek to demonstrate this to its constituency or higher authority.

Third, it is important to convey some sense of the "paths not taken" regarding trading items and other values. While no blanket conclusion is possible, there can be every assurance that a comprehensive effort took place, over many months, to seek out and discuss a multitude of alternatives before reaching the agreement herein.

Conclusions and Recommedations

This memorandum of transmittal has attempted to outline in a structured fashion the basis for State participation, the process of that participation, and the results as found in the proposal. It is my conclusion that State participation

In the modified proposal as described above is in the best interests of the State and that the State will receive considerable excess value for the value it relinquishes. As your approval and the concurrence of the Governor are needed to authorize State participation in this proposal, this document can serve as basis for that decision, augmented by any further information you may require. In this particular case since you have been very closely and continuously involved with the process, and as the Governor has been fully briefed at several different times, I believe most of the aspects are suitably covered above, and in the complete files on this matter.

While it is my opinion, and that of most others I know who have addressed the matter in detail, that the Executive Branch presently has the state statutory authority to execute this proposed land exchange, it is also true that questions have been raised by members of the public and by legislators concerning the adequacy of this authority. While I believe that these questions would certainly be answered by the courts in the executive's favor, the process of litigating a test case would be inordinately time-consuming. That intervening litigation period would protract the commencement of passage of lands under the agreement, a consequence which all parties regard as undesirable, and possibly fatal, if the basic merits of the agreement are accepted.

There is no doubt that the proposed exchange cannot come to pass without prior federal legislation clearing its way under NEPA and Section 6(i) and dealing with other matters of implementation. The opportunity - perhaps the only opportunity - for such legislation is upon us now with the omnibus ANCSA amendments bill.

After the Congressional legislation is passed, it of course will be necessary for the State to assent to the exchange. While the Commissioner is authorized under existing law to give that assent, unilateral executive action on a matter of this

magnitude would be inconsistent with the policy of the present administration that all important social institutions should have the opportunity to participate to the fullest extent possible in such decisions. Therefore, I believe the State should structure the proposed transaction so as to maximize the Legislature's ability to participate in the decision. (Indeed, the Administration endeavored to involve the Legislature throughout the public review process as the proposal has been developed.) The problem, of course, is that there is no mechanism by which the federal government can legally "negotiate" the matter through the Legislature during the session, for Congress must act now to get federal authority for a specific proposed transaction. Nor is it likely under our Constitution that the Legislature could, or would choose, to do so.

Given these premises, the only opportunity that the State has to insure that the Legislature may pass upon the merits of the proposal is for Congress to enact legislation empowering the Secretary to consummate the transaction (removing federal obstacles to the State's participating), such legislation to be subject to the State's subsequent consent. The state administration, in its turn, pledges that consent to the Congressionally legislated "offer" will be forthcoming, if at all, only after review and consideration by the Legislature. An action by the Legislature disapproving the exchange should result in an action by the Governor denying consent.

If the decision is made to seek legislative review the time factor is particularly important. For several reasons, including the Congressional need for certainty the inexorable progress of Cook Inlet's appeal, and the dynamic nature of land status in Alaska, final action by the State would be needed as soon as practicable consistent with the Legislature's need to have a thorough opportunity to review the proposal in sufficient detail to make responsible public policy. I believe we would be in a position during the first week of the session to thoroughly brief

members of the Legislature and make available to them any information we might have concerning the proposal. Under that scenario it would appear that 50 to 60 days should be sufficient time for the Legislature to thoroughly review the proposal, particularly in view of the already widespread publicity and general public awareness of the various aspects of the proposal.

I close with the request that action taken affirmatively and expeditiously on this matter as I believe it to be a unique, perhaps singular, opportunity to achieve a vital series of public and private objectives. It is important, and in my view, right.

STATE OF ALASKA
JAY S. HAMMOND, Governor
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF LANDS, 323 E. 4TH AVENUE, ANCHORAGE 99501

OPENING STATEMENT
Cook Inlet Public Hearing
(October 2-3, 1975)

The transaction which will be described in this briefing and then discussed in public sessions is a unique attempt at governmental/private sector/public interest cooperation to resolve a complex problem of real importance. The problem relates to the right of the Cook Inlet Native Regional Corporation to select Federal lands under the terms of the ANCSA.

Briefly stated, the problem is as follows: The Cook Inlet Region has an entitlement under the ANCSA for land selections, and the Department of Interior has an obligation to withdraw lands for these selections. Unlike other regions, the ability to find adequate land for withdrawal and selection is greatly limited by the high percentage of private ownership and publically classified land in the key Cook Inlet areas. The Department of Interior made withdrawals under these already difficult circumstances which, from the standpoint of the Region were unfair, inequitable and illegal, and which, from the perspective of both the State and the Federal Government, probably created unsatisfactory land ownership patterns in the entire area.

Cook Inlet Region has brought suit challenging the legality of the Interior withdrawals under the Act, and that suit is now on appeal after losing in the District Court. The State is not a party to the suit, although the appeal could have great implications for the State if Cook Inlet Region prevails on one of its requests that land previously selected by the State be redirected to the Regional selections. Thus, there is an element of judicial uncertainty here.

Looking only at the Region and the Department; only two outcomes are possible depending on the outcome of the appeal and subsequent litigation. The first is that Interior will prevail, and Cook Inlet will be forced to select in areas generally agreed to be inappropriate for private ownership and probably inequitable for the Regional Corporation as compared to what other Regions selected under the Act.

The second is that Cook Inlet will prevail, and receive selection rights which, although perhaps more equitable to the Region, would involve selection in areas still inappropriate for private development (Moose Range) or perhaps invalidate State selections, although this is less likely.

Either of these outcomes will have undesirable consequences, and this has been recognized by the State, by the Region, by Interior, by various public interest groups, by Alaska's Congressional Delegation and other members of Congress, and by various other parties in the private sector.

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPARTMENT OF NATURAL RESOURCES

IMMEDIATE PRESS RELEASE

DIVISION OF LANDS, 323 E. 4TH AVENUE. ANCHORAGE 99501

BACKGROUND
Cook Inlet Land Trade Proposal

In the discussions with Cook Inlet Region, Inc. and the Department of the Interior the State has attempted to accomplish a number of objectives, including the assurance of a rational land ownership pattern within the Cook Inlet Basin and the ability of the State to control certain lands which it feels necessary to properly protect its future interests. This latter point is predicated upon the State's firm conviction that it can govern more effectively and be more responsive to its citizens' needs than could the federal government.

As it is the role of the State to provide its citizens with a number of public services (i.e. transportation, communications, education, public safety, etc.) it is in the State's interest, both socially and economically, to insure that future development occurs in those areas best suited for such development, i.e. within areas which contain good land forms, ground water, no flowing, etc. and to which governmental services may be brought in an economical manner. This was a prime consideration in determining which lands the State tentatively offered to Cook Inlet Region, Inc.

With respect to lands which the State seeks to gain through this transaction, the emphasis was on those lands in the Cook Inlet and nearby Iliamna Lake areas which the State feels should remain in public ownership and which it wishes to own itself to insure that its objectives in those areas are under its' own control. In particular, two areas were sought. First, the lands presently in federal ownership in the Talkeetna Mountains area, where Cook Inlet Region would select, north and east of the populated Matanuska and Susitna Valleys respectively. In addition to timber, watershed, mineral, and high recreational values, these lands will become increasingly more important to the State as future development and settlement intensifies on the periphery in the Matanuska and Susitna Valleys.

The second area of interest is Iliamna Lake. This watershed produces the worlds largest red salmon fishery and it is upon this fishery which the major portion of our citizens in the Bristol Bay Region are dependent. The area is also the focus of the finest trophy rainbow trouts system in North America. The State has management control of these fisheries and by gaining control of the remaining public lands would be able to more effectively manage these fisheries in the public interest. Also, with approximately 15 percent of the lands in the Bristol Bay area going into native village corporate ownership the State feels it can be much more responsive to both their private needs and those of the public in this area than could be the geographically removed federal government. In addition to the very high fishery values, this area has high wildlife and recreational values as well as some oil and gas potential.

COOK INLET LAND TRADE PROPOSAL

PARTIES	LAND TRADED LOCATION	AMOUNT	MAP NO.*	COMMENTS
	Tyonek Area	<.5 Twp.	2	Lands offered to Tyonek to reduce to a minimum Tyonek ownership of land within the Kenai National Moose Range.
	Knik Area	.21 Twps.	3a	More suitable lands near villages in return for public ownership of important lands selected by these villages on Lake Clark.
	Chickaloon Area	.08 Twps.	3c	
	Total	2.8 Twps.		
Cook Inlet, Inc. to State	Talkeetna Mtns. Lake Clark west side of Cook Inlet	31 Twps.	6 a-f	State will designate which twps. from a total pool of approximately 180 twps. from which Cook Inlet, Inc. may select.
Villages and Groups to State	Montana Ck.	.5 Twp.	6 a	State receives lands selected by these groups within proposed Talkeetna Mtns. State Park.
	Caswell Ck.	.5 Twp.	6 a	
	Tyonek	<.5 Twp.	7	State receives lands selected by Tyonek on Kenai Penn. within or on edge of National Moose Range.
	Knik	.85 Twp.	6 e	State receives these lands on shores of Lake Clark.
	Chickaloon	.32	6 e	
	Total	2.7 Twps.		
Federal Gov't. to Cook Inlet	Kenai Nat'l. Moose Range	.87 Twps (20,000 ac.)	8	Moose Range boundary to be adjusted to exclude these lands; a 1/4 mi. "no development zone" on edge of Tustamena Lake.
	Kenai Nat'l. Moose Range	.87 Twps (20,000 ac.)	9	Lands to be within Moose Range and subject to restrictions such that any use of the land must be beneficial to the purposes of the Moose Range.

* See Attached Map for area location
** "Twp" = "Township" = 36 Sections = 23,040 acres

COOK INLET LAND TRADE PROPOSAL

PARTIES	LAND TRADED LOCATION	AMOUNT	MAP NO.*	COMMENTS
Cook Inlet to Villages	Salamatof	1.5 Twps.	6f	"Out of court" offer to Salamatof to drop village eligibility suit which, if successful, would significantly reduce Cook Inlet's land within National Moose Range.
	Knik Area	.21 Twps.	3 a	More suitable lands near villages to ensure public ownership of important lands selected by these villages on Lake Clark.
	Chickaloon Area	.08 Twps.	3 c	

MISCELLANEOUS

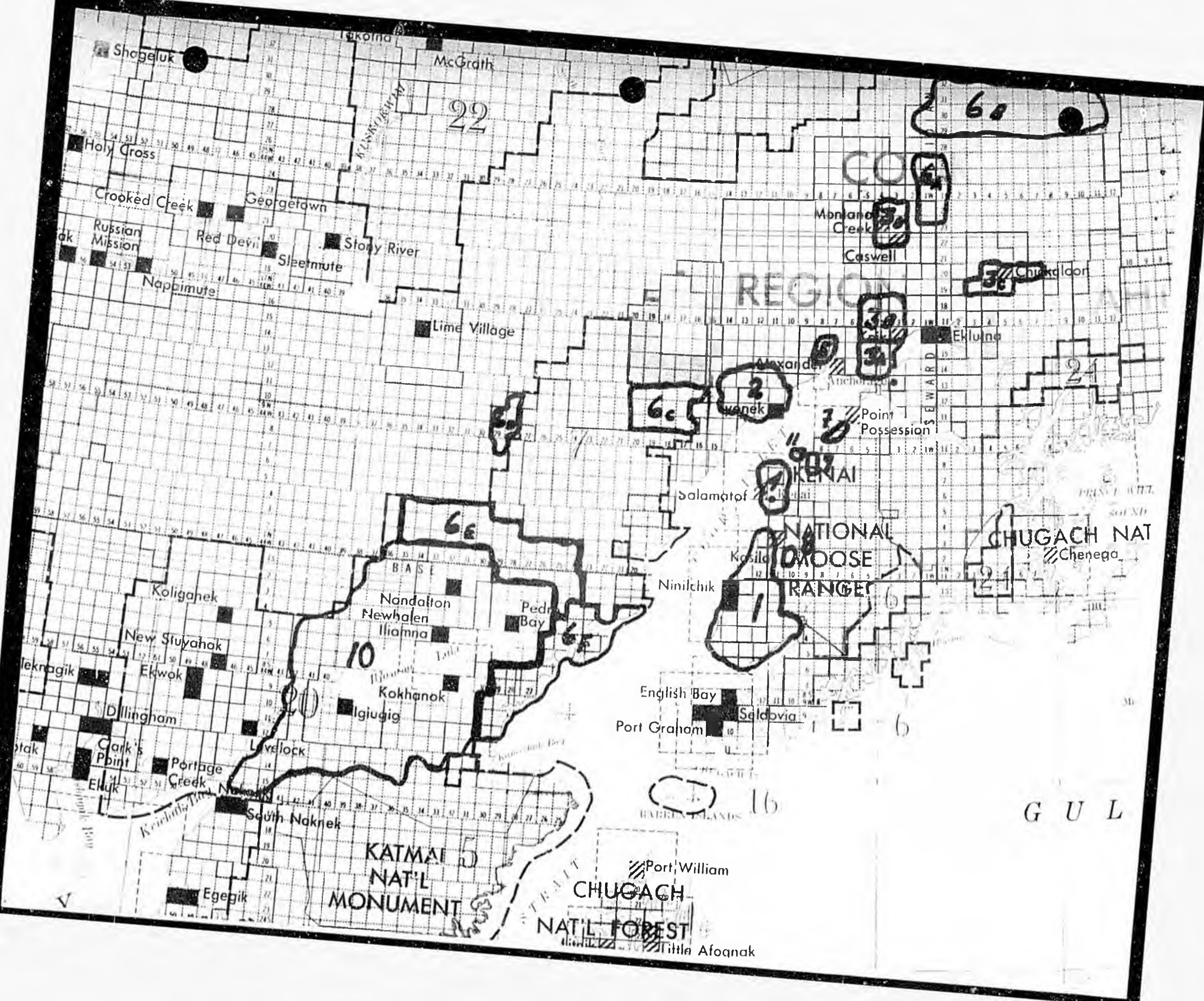
The proposal does not convey to Cook Inlet, Inc.:

1) Subsurface resources in any producing oil and gas fields (e.g. Swanson River).

2) Any of the Swanson River canoe system lands.

3) The Russian River area

4) The present federal lands at Point Woronzoff, Point Campbell or the Campbell Tract.



Shageluk
Takotna
McGrath
22
KUSKOKWIM
6a
Holy Cross
CO
REGION
Crooked Creek
Georgetown
Russian Mission
Red Devil
Stony River
Sleetmute
Napaimute
Montana Creek
Caswell
Chickaloon
Lime Village
Eklutna
Alexander
Anchorage
24
SEWARD
6c
Tyonek
2
Point Possession
KENAI
Salamatof
Kenai
NATIONAL
MOOSE
RANGE
Kasilof
Ninilchik
CHUGACH NAT
Chenega
6e
BASE
Nondalton
Newhalen
Iliamna
Pedro Bay
Koliganek
New Stuyahok
10
Ekwok
Aleknagik
Kokhanok
Igiugig
Dillingham
Levelock
English Bay
Seldovia
Port Graham
Clark's Point
Portage Creek
Ekuk
Naknek
South Naknek
Kvichak Bay
BARREN ISLANDS
16
GUL
KATMAI NAT'L MONUMENT
Egegik
Port William
CHUGACH NAT'L FOREST
Little Afognak

B

02-001B

STATE
of ALASKA

MEMORANDUM

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF LANDS

APPENDIX B

TO: Cook Inlet Land Trade File

DATE : November 6, 1975

FROM: Michael C.T. Smith
Director, Division of Lands

SUBJECT: Public Notice & input

As it was decided very early in the discussion stage that any final decision would not be made until the proposal was made public and the resulting input analyzed, the administration went to significant lengths to insure as public a process as possible before the final decision was made. Below, in approximate chronological order, is summarized that public notice and input process.

In late April and May, preceding the initial House and Senate hearings concerning CIRI's proposed legislation, the State was in contact with a number of individuals and agencies. This included numerous meetings with Tom Meachan, Anchorage Borough Attorney, to insure that the Borough's interests in its recreational and open-space lands were protected. In a similar manner contacts were made with Stan Thompson, Kenai Borough Mayor, and John Spencer, Anchorage City Attorney. Regular contact was also maintained with the Joint Federal-State Land Use Planning Commission. Preceding and following the Congressional hearings in May the media was briefed and carried numerous stories concerning the proposal. With relatively minor exceptions, all aspects of the proposal which have received public comment during the past months were published in the media as long ago as last May. Additionally, detailed presentations concerning the proposal were made before both the House and Senate sub-committees addressing CIRI's proposal. These detailed presentations are, of course, part of the official committee hearing records. In mid-June contact was also made with representatives of the Placer Amex Co., owner of several of the coal leases in the Beluga area to determine their feelings concerning the proposal. On June 27th a meeting was held with Mike Spaan, Administrative Assistant to Senator Ted Stevens, and on the following day another meeting was held with Senator Stevens concerning the proposal in Anchorage. Additionally, at approximately the same time and in response to a request by Homer Burrell and a reporter from the Anchorage Daily News, the Cook Inlet Land Trade File was made available for their review and this was again followed by a detailed release of the then current proposals in a new article.

Following more testimony concerning the proposal before Senator Haskel's Interior sub-committee in late September, the State launched a five-week public briefing and input campaign to insure public awareness of the proposal.

The specifics are listed below.

Sept 23rd - Letters to all legislators containing copy of the press release announcing public hearing dates.

" 26th - Public hearing news release distributed to media.

Sept. 27-28 - Public meeting announcements carried by the press and radio in Anchorage

Oct. 1st - Detailed media briefing including radio, TV, daily press and Alaska Scouting Report representative.

- Special briefing of groups which had indicated interest in learning specifics of the proposal at an early date (Bicentennial Park Committee, Mountaineering Club, Issac Walton League, Alaska Conservation Society, Alaska Float Plane Association, etc.).

" 2nd - Special briefing for organized Boroughs affected by proposal (Anchorage, Kenai, and Matanuska-Susitna Boroughs).

- Briefing for Legislators

- Telephone conversation with Placer Amex

- A 2 1/2 hour public briefing and question presentation at Loussac Library in Anchorage (over 70 in attendance).

" 3rd - Meeting with David Pree, Esquire Re: Mental Health Lands

- Meeting with Alaska Miners Association (Bill Wagaman, President, and Chuck Haulley).

- Public hearing at Loussac Library to receive input (three hours with over 75 persons attending).

" 6th - Briefing of Capital Site Selection Committee

" 7th - Public briefing and input presentation held at Alaskaland in Fairbanks following three days of radio and press advertisement of the meeting.

" 10th - Briefing of Bureau of Land Management personnel.

" 12th - Meeting with representatives of Placer Amex

" 22nd - Briefing of Anchorage Chamber of Commerce Special Land Trade Committee

" 24th - Public briefing of Federal-State Land Use Planning Commission

Nov. 4th - Public briefing of Kenai peninsula Borough Assembly

In addition, numerous contacts were had with interested groups and members of the public who contacted the Division of Lands to gain more specific information following exposure to the proposal in the media or at public meetings.

02-001B

STATE
of ALASKA

MEMORANDUM

TO: Cook Inlet Land Trade File

DATE : December 2, 1975

FROM: Michael C. T. Smith, Director
Division of Lands

SUBJECT: Public Not. and Input
(Addendum to 11/6/75 Memo to File)

The following is an update of an earlier memorandum detailing some of the specifics of the Public Notice and Input process concerned with the Cook Inlet Land Trade Proposal.

October--the October issue of the Division's Publication "Alaska Land Lines" carried a five page outline of the details of the proposal as presented publicly the first week of October.

Nov. 7--the Governor, the Commissioner of Natural Resources and the Director of Lands met for three and one-half hours with a special land trade subcommittee of the Legislative Council. A detailed briefing was given to the subcommittee.

Nov. 17--meeting with representative Ted Smith and Harold Galliette at the Division of Lands.

Nov. 2[illegible]--meeting with Tom Meacham, Land Trust Lawyer for the Anchorage Municipality.

Nov. 25--luncheon speaker presentation by Director of Lands to the Alaska Society of Civil Engineers.

C

Economic Resource Analysis

of

Beluga-Capps Area

and Certain Other Areas

of the Proposed Land Exchange

(See accompanying document from Department of Natural Resources, Division of Geological and Geophysical Surveys)

FINAL AGREEMENT DOCUMENT

THIS WILL HAVE TO BE AN X-C of THE HOUSE of REPRESENTATIVES REPORT # 94-729 ON PAGES 35 THROUGH 52 INCLUSIVE.

Finally, the existing language of subsection (f) requires exchanges to be on the basis of equal value.

The amended language will permit direct exchanges of land between the State and Native corporations. It will permit the State or transfer mineral interests, notwithstanding section 6(i) of the Statehood Act, to Federal agencies in such exchanges. Finally, it will permit exchanges under the subsection to be on a basis other than equal value if the parties agree to the exchange and the Secretary deems it to be in the public interest.

SECTION 18

Section 18 is merely a savings clause which provides, that except as specifically provided in this legislation, the provisions of the Settlement Act are fully applicable to this legislation and nothing herein shall be construed to alter or amend those provisions.

TERMS AND CONDITIONS FOR LAND CONSOLIDATION AND MANAGEMENT IN THE COOK INLET AREA

Section 12 of H.R. 6644, as amended by the Committee, implements an agreement reached among the United States, the State of Alaska, the Cook Inlet Regional Corporation, and other interested parties to resolve the problem Cook Inlet Region, Inc., encountered in realizing its land entitlements under the Settlement Act. That section is general in terms and incorporates into it, by reference, the text of the agreement reached by the parties. The Committee intends that section 12 and the implementing agreement be construed together to give effect to the settlement of the Cook Inlet problem in a manner that is fair and equitable to the Cook Inlet Regional Corporation and the other parties.

The agreement is as follows:

FINAL AGREEMENT DOCUMENT

TERMS AND CONDITIONS FOR LAND CONSOLIDATION AND MANAGEMENT IN THE COOK INLET AREA, DECEMBER 10, 1975

I. The United States shall convey to Cook Inlet Region, Inc., the following lands:

A. Sixteen (16) sections of land, as described in Appendix A, presently within the boundaries of the Kenai National Moose Range, excluding the bed of Lake Tustumina, but to be removed from the boundaries of the Range. The conveyance of these lands shall be subject to the following conditions:

(1) Included in the lands described in this paragraph shall be a restricted zone of lake front and river front lands, not to exceed an average of 160 acres per linear mile, to be measured from the high water line, the exact boundaries to be determined by mutual agreement between CIRI and the Secretary no later than September 1, 1976. The conveyance of the lands within this zone shall contain the following restrictions so long as Lake Tustumena remains a part of the Range:

(a) A restrictive covenant running with the land which provides that no development shall take place or facilities be

constructed within the zone, except those which are directly necessary to support water dependent activities, such as a boat dock, airplane tie-up and marina. Reasonable access to these facilities will be permitted. It is contemplated that a lodge may also be located within the restricted zone, provided, however, that the lodge shall be of such a design, size and at a location agreed upon by the United States Fish and Wildlife Service. CIRI must submit a request in writing to the Fish and Wildlife Service for approval of any construction or development within the zone, which approval will not be unreasonably withheld. The Fish and Wildlife Service will notify CIRI of its decision on any such request within 120 days of receipt of such request, and failure of any response will be considered as approval.

(b) a provision that CIRI will not sell the lands to any third party for a period of 25 years from the date of the conveyance, without the consent of the Secretary.

(c) a provision that CIRI and its assigns will offer the United States the right of first refusal to purchase the lands if the lands are ever sold. The right of first refusal shall be for a period of 120 days from the date of notice in writing to the United States that the owner of the land has received a bonafide offer of purchase. The United States shall not be deemed to have exercised its right of first refusal if the owner does not consummate this sale in accordance with notice to the United States.

(d) the conveyance of the lands comprising this restricted zone shall not include the bed of Lake Tustumena . shall only convey the surface estate to CIRI. The United States shall retain the rights in oil and gas and all minerals, including but not limited to common varieties of minerals.

(e) the United States reserves the right of re-entry on these lands to be exercised upon occurrence of the following conditions:

(1) The United States obtains a final judgment in a proceeding in law or equity to enforce in whole or in part the restrictive covenants contained in the conveyance of the lands described in this section: and

(2) subsequent to such final judgment, the United States institutes proceedings in law or equity to enforce the provisions of the restrictive covenants which were the subject of the final judgment obtained in subparagraph (1) of this paragraph. The right of re-entry shall be asserted in such subsequent action but may not be actually exercised except upon and in accordance with the final judgment in favor of the United States in such subsequent action.

(3) such right of re-entry shall be limited, in any case, to the lands which were the subject of the final judgment referred to in subparagraph (1) hereof.

(2) The remainder of the lands described in Appendix A shall be conveyed to CIRI without restriction, other than the reservation of those easements authorized by 17(b) of ANCSA or other applicable federal statutes. The conveyance of such remainder shall include both the surface and the subsurface estates to such lands.

B. Three and fifty-eight one hundreds (3.58) townships of the subsurface estate to oil and gas and coal as identified in Appendix B; provided that the United States shall retain all other minerals including but not limited to common varieties of minerals; and provided that the right to extract coal shall be conditioned upon the opening for the extraction of coal of that portion of the Range in which these lands are located, and provided further, that coal shall only be extracted in a liquid or gaseous state. The extraction of oil and gas and coal shall be conducted in accordance with a surface use plan approved by the Secretary. Such extraction shall be undertaken in accordance with the most advanced technology commercially available at that time and causing the least practicable temporary and permanent harm to the fish and wildlife habitats of the Range. Any surface damage caused by the exercise of the rights herein must be repaired or reclaimed by CIRI, its successors and assigns, as rapidly as practicable without unreasonable interference with the rights of extraction. The United States shall make available to CIRI, its successors and assigns, sand and gravel as is reasonably necessary for the construction of facilities and rights of way appurtenant to the exercise of the rights conveyed under this section, pursuant to the provisions of 30 U.S.C. 601 et seq., and the regulations implementing that statute which are then in effect. By mutual consent of CIRI and the Secretary, CIRI may exchange any interest described in this paragraph for other mineral interests of equal value outside the boundaries of the Kenai National Moose Range.

(1) All federal lands and interests in lands within the following:
(a) T. 10 S., R. 9 W., F. M. (Healy); and
(b) T. 20 N., R. 9 E., S. M. (Glenn Highway).

(2) T 1 N R 21 W, S. M. (sections 13, 14, 15, 22, 23, 24, 25, 26, 27, 28, 32, 33, 34, 35, 36). The Secretary shall only convey the rights to metalliferous minerals in the land herein described. Extraction of such minerals shall be subject to a surface use plan submitted by CIRI and approved by the Secretary. Surface use of the purposes of exploration, extraction, access and beneficiation shall be conducted in accordance with the most advanced technology commercially available at that time consistent with the exercise of the rights conveyed under this subparagraph. CIRI, its successors and assigns, shall be required to repair and reclaim any surface damage as rapidly as practicable consistent with the reasonable exercise of such mineral rights.

(3) T 1 S, R 21 W, S. M. (Sections 3–10, 15–22, 29 nd 30). The Secretary shall transfer to CIRI the above described lands in fee simple. Such conveyance shall be subject to a restrictive covenant, running with the land, providing that the surface shall only be used for purposes reasonably incident to mining and mineral extraction, including processing and transportation. The Secretary shall also convey to CIRI, an easement for a port which shall reasonably provide for receiving, shipping, storage and incidental handling, and incidental facilities thereto, of the minerals extracted from the lands conveyed under

this subparagraph. The Secretary shall also convey to CIRI a transportation easement to provide for transportation by road, rail or pipeline, of the minerals from the above described lands to the port easement. The Secretary and CIRI shall mutually agree upon the location of the port and transportation easements.

C. (1) Twenty nine and sixty six one hundredths (29.66) townships from any federal public lands withdrawn under sections 11(a)(1), 11(a)(3), and 17(d)(1) without the exterior boundaries of Cook Inlet Region: to be identified in the manner herein provided: provided that if CIRI's total entitlement under Section 12(c) of ANCSA is determined to be greater or less than 54 townships, the number of townships to be conveyed under this paragraph (hereinafter out-of-Region entitlement) shall be increased or decreased one for one.

(a) lands to be nominated and conveyed under this paragraph C-1 shall be limited as follows: The entitlement shall be satisfied from lands within Ahtna Region, Bristol Bay Region, Calista Region, Chugach Region, and Doyon Region. With the concurrence of the Secretary and the State and any affected Region other than those described above, selections may be made from one or more of the other Regions, on the basis hereinafter described or on such other basis as the parties shall contemporaneously agree. CIRI shall not nominate any of the following:

(1) lands located west of the 161 degree west longitude of Greenwich Meridian

(2) lands within Areas of Environmental Concern as described in the Secretary's 1973 Four Systems proposals to Congress

(3) lands within any of the Secretary's 1973 Four Systems proposals to Congress

(4) lands made available to the State for selection pursuant to Sections 2 and 5 of the State-Federal Agreement of September 1, 1972.

(b) By May 1, 1976 the Secretary shall, after consultation with the State, submit to CIRI a list of areas where approval of out-of-Region selections is unlikely. CIRI may thereafter nominate to the Secretary, with simultaneous notice to the State, a township or townships for selection. Within 120 days after such nomination, the Secretary after consultation with the State shall approve or disapprove it for withdrawal for placement in the selection pool as described herein. By October 18, 1978 CIRI must nominate at least 6 times its remaining out-of-Region entitlement. If the Secretary fails to approve a pool of three times that remaining out-of-Region entitlement from said nominations, then he and CIRI, by mutual consultation and study, shall agree by January 18, 1979 on sufficient additional townships to compose that number. The Secretary must, on that date, report to Congress as to the operation of this selection mechanism, and the need for remedial legislation, if required. Upon completion of the pool, the State and CIRI shall commence a striking and selecting process. The State may strike ten percent of the pool and the Region may select a number of townships equal to ten percent of the original pool. Alternate strikes and selections of five percent of the original pool shall continue until CIRI's out-of-Region entitlement is, as defined in this paragraph, satisfied. The State and CIRI must complete this process within four months of completion of the pool. Notwithstanding the foregoing, with the consent of the United States, State of Alaska, and CIRI, lands may be conveyed without resort to the pool and striking mechanism herein provided, or in the manner described in subparagraph 2 of this paragraph C, in which case the number of townships to be nominated, pooled, struck and selected, shall be reduced proportionately.

(c) The State may continue to select lands under the Statehood Act which may be affected by this paragraph C, provided however, that any Regional nomination made hereunder shall be superior to and take precedence over any such State selection made after July 18, 1975. None of those lands selected by the State under the Statehood Act after July 18, 1975, and also nominated by CIRI pursuant to this paragraph C, shall be tentatively approved for patent to the State by the Department of the Interior for so long as these lands are potentially available to CIRI under this subparagraph unless CIRI has consented to such tentative approval.

(d) Lands approved by the Secretary for the out-of-Region pool shall, as of the date of such approval, be withdrawn from all forms of entry and location under the Public Land Laws including the mining and mineral leasing laws, but not from selection by the State, for so long as the said lands shall be included in the said pool.

(e) Prior to nomination of any townships for secretarial approval, the Region shall obtain the consent of other Native Corporations where applicable, and a copy of such consent shall be attached to such nomination.

(f) CIRI shall select its out-of-Region entitlement in blocks no less than 36 sections in size, along section lines, with no segment of an exterior line less than six miles in length, unless the Secretary specifically authorizes another manner of selection.

(g) CIRI may, with the consent of the Secretary and the State, select that portion of the mineral estate reserved by the United States in a township if the remainder of the estate may not be legally or readily available for selection, in which case, however, such substitute selection shall be treated as full satisfaction of the entitlement represented by the acreage involved and no additional selection rights shall arise by reason of the lack of conveyance of the entire estate.

(h) It is the intent of the Secretary and the State that all out-of-Region selections shall be as compact as is practicable, and that wherever possible, CIRI shall select lands which are contiguous to privately-owned lands.

(i) Nothing in this paragraph shall be construed as limiting any Congressional review and approval of the Secretary's 1973 four systems proposals to Congress.

2(a) The Secretary, in conjunction with the General Services Administrator, shall promptly identify and take the necessary steps by

January 15, 1978, to create a selection pool which shall consist of all the following lands, within the exterior boundaries of the Cook Inlet Region, now in existence or hereafter coming into existence by January 15, 1978:

(i) abandoned or unperfected public land entries, provided however, that the United States shall not be obligated to initiate any adversary proceedings other than an adjudication by the BLM to determine if such entries are abandoned or unperfected, and the burden of identifying such lands shall be on CIRI;

(ii) federal surplus property;

(iii) revoked federal reserves;

(iv) cancelled or revoked power site reserves, with the exception of the Bradley Lake reserve, reserves in the Lake Clark proposal, and the Chakachamna Lake reserve, if any are ever cancelled or revoked;

( ) public lands created by the reduction of federal installations as defined in Section 3(e) of ANCSA, except that, if such lands are within a Section 11(a)(1) withdrawal area, they shall be subject to prior Village Corporation selections properly filed prior to December 18, 1975; and

(vi) any other federal lands as agreed by the State the Region and the Secretary, including but not limited to lands withdrawn under Section 17(d)(1) of ANCSA and not withdrawn for any other purpose.

The Secretary shall notify CIRI after any above-described lands have been placed in the pool. With the concurrence of CIRI, the State and any other concurrence that may be required under paragraph 1-C(1)(e) of this Document, the Secretary may, in his discretion, contribute to such pool properties of one or more of the foregoing categories from without the boundaries of the Cook Inlet Region, provided that properties described in subparagraphs (2)(a)(ii) and (2)(a)(iii) of this paragraph shall be removed from the pool if not selected by CIRI within 90 days after the Secretary notifies CIRI that such properties have been placed in the pool or valued by the Secretary in Subparagraph 2(c) of this document whichever date is later.

(b) The State shall be advised of all properties located within the exterior boundaries of Cook Inlet Region to be placed in the pool described in subparagraph 2(a) and may require Secretarial consultation with the Joint Land Use Planning Commission with respect to any specific piece of property so included, except those in subparagraph 2(a)(i) hereof, to determine whether private ownership of such property would be incompatible with reasonable land-management principles; provided, that the Secretary shall not be bound by any recommendation of the Joint Land Use Planning Commission. The Secretary shall notify the State, CIRI and the Commission of his decision in writing. The State may conclusively object to the inclusion in the pool of up to 1,500 of the acres, described in paragraph 2(a)(i) and 2(a)(iv), and additional lands within these two categories may be excluded from the pool upon replacement by the State with lands of equal values. Lands not included in the pool as result of the State's conclusive objection or which have been replaced by the State under this subparagraph shall, immediately upon their exclusion or replacement from the pool thereby, be made available by the Secretary to the State for selection under the Alaska Statehood Act for a period of 90 days to the exclusion of all competing claims or parties.

(c) Unless specifically excepted by the Secretary, all tracts of land and improvements thereto in said pool shall be appraised by one or more appraisers mutually agreeable to CIRI and the Secretary.

(d) CIRI shall be entitled to select any tract of land from said pool in exchange for its out-of-Region selection rights, in part or in whole and *pro tanto*, in satisfaction thereof, in the following manner:

(1) any tract of land and improvements thereto specifically excepted from appraisal by the Secretary as described in subparagraph (c) of this paragraph may be exchanged acre for acre;

(2) any tract of land and improvements thereto valued by CIRI and the Secretary, after review of the appraisals, at less than $500 per acre at fair market value may be exchanged acre for acre;

(3) any tract of land and improvements thereto valued by CIRI and the Secretary, after review of the appraisals, at $500 per acre or more at fair market value shall be exchanged as follows:

(i) for each acre of land in said tract, each valued increment of $500 or proportion thereof shall be considered an acre of land or proportion thereof, in the same proportion, hereinafter called an "acre/equivalent"; and

(ii) any acre/equivalents may be exchanged for any acres of CIRI's out-of-region entitlement.

(e) Anything in the foregoing provisions notwithstanding, the selection pool created hereunder shall not include or affect lands within the Point Woronzof, Point Campbell, Goose Lake, and Campbell tracts, to which CIRI waives any claim which it may have had; and such lands shall be reserved by theUnited States for early conveyance to the State for park and recreation purposes as an integral part of the consideration for this Document.

(f) The Secretary shall utilize his best efforts to maximize the pool through the use of all available properties within the described categories in order to enhance the opportunity for the land exchanges described herein. If, by January 15, 1978, the Secretary and the General Services Administrator have not identified for the pool at least 138,240 acres, or acre/equivalents of lands within the exterior boundaries of Cook Inlet Region, the Secretary shall add to the pool an amount equal to the difference between 138,240 acres, or acre/equivalents, and the number of acres so identified from the following:

(1) with the consent of the State, lands located within the boundaries of the Region, withdrawn for the purposes of section 17(d)(1) of ANCSA, and valued by the Secretary and CIRI at $200 per acre, or more.

(2) with the consent of the State and CIRI, lands described in subparagraph I-C(3)(a) of this Document from without the exterior boundaries of Cook Inlet Region.

CIRI must select all lands in the pool located within the Region which are valued by the Secretary and CIRI at $200 per acre, or more, until CIRI has selected 138,240 acres, or acre/equivalents as described in subparagraph 3(i) of this paragraph.

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(g) No later than 90 days following the conclusion of the period for creation of the pool as specified in subparagraph (1) hereof, the Secretary shall, with the assistance of the General Services Administrator, report to Congress on the status of the conveyances under paragraph C and the need for remedial legislation, if required.

(h) Conveyances under this subparagraph I–C(2) shall not be subject to the provisions of Section 22(1) of ANCSA.

II. Upon consent by the State of Alaska to be bound by the terms and conditions of this Document, which consent must be given, if at all, within 60 days of the commencement of the 1976 Session of the Alaska State Legislature, the State of Alaska shall convey to the United States for reconveyance to CIRI the lands described in Appendix C to this Document. Said lands shall be considered State lands until the United States accepts the State deed of title. Upon acceptance of a State deed of title, the Secretary shall withdraw the lands conveyed thereby, subject to valid existing rights, from all forms of appropriation under the public land laws, including the mining and mineral leasing laws, and from selection under the Alaska Statehood Act, as amended; such withdrawal to expire upon reconveyance of said lands to CIRI.

III. A. The Secretary shall convey to the State of Alaska all right, title and interest of the United States in and to all of the following lands:

(i) At least 22.8 townships and no more than 27.0 townships of lands from those presently withdrawn under section 17(d)(2) of the Alaska Native Claims Settlement Act in the Lake Iliamna area and within the Nushagak River and Koksetna drainages near lands heretofore selected by the State, the amount and identities of which shall be determined pursuant to Appendix D hereof; and

(ii) Twenty-six townships of lands in the Talkeetna Mountains, Kamishak Bay, and Tutna Lake areas, the identities of which are set forth in Appendix E hereof.

All lands granted to the State of Alaska pursuant to this subsection shall be regarded for all purposes as if conveyed to the State under and pursuant to section 6 of the Alaska Statehood Act; provided, however, that this grant of lands shall not constitute a charge against the total acreage to which the State is entitled under section 6 of the Alaska Statehood Act.

B. The Secretary shall convey to the State of Alaska, without consideration, all right, title and interest of the United States in and to all of that tract generally known as the Campbell Tract and more particularly identified in Appendix F hereof except for one compact unit of land which he determines, after consultation by the State of Alaska, is actually needed by the Bureau of Land Management for its present operations; provided, that in no event shall the unit of land so excepted exceed 1,000 acres in size. The land authorized to be conveyed pursuant to this paragraph shall be used for public parks and recreational purposes and other compatible public purposes in conformance with the generalized land use plan outlined in the Far North Bicentennial Park master development plan of September, 1974.

As a result of Section 12(a) of ANCSA, selections by Village corporations within the Kenai National Moose Range, or as a result of any section 14(h)(1), (2) or (5) of ANCSA selections within the Kenai National Moose Range or within the Secretary's 1973 Lake Clark proposal; and to the extent that CIRI's section 12(a) of ANCSA subsurface rights are reduced by virtue of exchanges resulting in the relinquishment of village selections in the Secretary's 1973 Lake Clark proposal or lands in paragraph VI CIRI shall take, in lieu thereof, an equal acreage from the following:

(a) The subsurface estate to oil and gas and coal in those lands described in Appendix B to the extent that such interests are not transferred under paragraph I–B of this Document, and are subject to the restrictions therein described; and

(b) Up to 46,080 acres of lands within section 11(a)(3) of ANCSA withdrawals in the Talkeetna Mountains; provided CIRI shall make all 12(b) selections in this withdrawal contiguous to existing 12(a) selections, first selecting all over-selected 12(a) lands in this withdrawal.

(c) If sufficient acreage to satisfy any such selections does not exist in those areas described in subparagraphs (1) and (2) of this paragraph, the Secretary shall make available lands outside the Region, in his discretion, for selection by CIRI.

Except as provided otherwise in this paragraph, the Secretary shall utilize the procedures of the Recreation and Public Purposes Act (44 Stat. 741), as amended, and regulations developed pursuant to that Act; provided, however, that the acreage limitation provided by section 1(b) of that Act, as amended by the Act of June 4, 1954 (68 Stat. 173), shall not apply to this conveyance, nor shall the lands conveyed pursuant to this paragraph be counted against that acreage limitation with respect to the State of Alaska or any subdivision thereof.

C. The Secretary shall make available for selection by the State, in its discretion, under section 6 of the Alaska Statehood Act, 12.4 townships of land to be selected from lands within the Talkeetna Mountains and Koksetna River areas as described in Appendix G.

IV. The lands and interests conveyed to CIRI under paragraphs I and II of this Document shall constitute CIRI's full entitlement under Section 12(c) of ANCSA, except that the mineral estate conveyed pursuant to subparagraph I–B of this Document shall constitute full entitlement of CIRI's surface and subsurface entitlement under Section 14(h)(8) of ANCSA. The lands which would comprise the difference in acreage between the lands actually conveyed under paragraphs I and II of this Document, and any final determination of what CIRI's acreage rights under Section 12(c) and 14(h)(8) of ANCSA would have been notwithstanding the provisions of this Document, shall be retained by the United States, and this Document shall create no right or interest in any other Regional Corporation or Village Corporation notwithstanding any provisions of ANCSA to the contrary.

To the extent that CIRI is or becomes entitled to subsurface rights:

V. The Secretary, CIRI, and the State shall seek legislation authorizing the Secretary to convey title to those selections by Native Corporations within the exterior boundaries of Power Site Classifica-

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tion 443, February 13, 1958, provided however, that the patents conveying the above described lands shall contain the reservations required by Section 24 of the Federal Power Act, 16 U.S.C. 818.

VI. A. The State shall not select any of the following lands, so that such lands may be added to a management unit in the Lake Clark Area:

T 4 S R 23 W (N ½), S.M.
T 3 S R 20–24 W, S.M.
T 2 S R 24–25 W, S.M.
T 1 S R 24–26 W, S.M.
T 1 S R 27 W (sections 1–6, 8–15, 23–25), S.M.
T 1 S R 28 W (sections 1–6), S.M.
T 1 S R 29 W (sections 1–6), S.M.
T 1 N R 24–29 W, S.M.
T 2 N R 24–30 W, S.M.
T 3 N R 28–30 W and 31 W (E½), S.M.
T 4 N R 30 W and 31 W (E ½), S.M.

B. The Secretary, CIRI and the State recognize that there are nationally significant resources in the Lake Clark area. Management of this area should be flexible and recognize the scenic, recreational, and inspirational resources that should be preserved as well as State and local interests including subsistence and sport hunting.

VII. A. In fulfillment of its obligation to equitably reallocate acreage among villages pursuant to section 12(b) of the Act, CIRI shall allocate section 12(b) selections to the following areas:

1. Four and one-half townships in the Talkeetna Mountain withdrawal, provided that such selections shall be compact and contiguous to 12(a) selection in said withdrawals and 12(a) overselections shall be selected first;

2. All lands that will not otherwise be conveyed to the villages under 12(a) on the Iniskin Peninsula;

3. To the extent necessary to fulfill any remaining 12(b) entitlement lands within the following:

T 7 S, R 25 & 26 (Except Secs. 29–31) W, S.M.
T 6 S, R 25 W and 26 (E½) W, S.M.
T 5 S, R 25 W. S.M. (except sections 18, 19, and 30).
T 4 S, R 24 W (S½), S.M.
T 4 N, R 19 W, S.M.
T 4 N, R 20 W (E½) S.M.
T 4 N, R 18 W (W½) S.M.
T 3 N, R 17–20 W, S.M.
T 3 N, R 21 W (Secs. 31–36, and 25–30 in the Tuxedni River Watershed), S.M.
T 2 N, R 18–20 W. S.M.
T 2 N. R 21 W (North and East of the Tuxedni River and Bay), S.M.

B. By mutual consent of the Secretary and CIRI, Village Corporations within the Region may exchange selections or selection rights under section 12 of ANCSA for acres, or acre/equivalents contained in the pools established out in paragraph I-C(2)(a) of this document.

C. Up to two townships without the exterior boundaries of Cook Inlet Region, to be mutually agreed upon by the Secretary, CIRI, and

the State, shall be made available for 12(b) selection. To the extent acreage is allocated to a Native village pursuant to this subparagraph C, the village must have an equal amount of acreage, in section units, from 12(a) selections in the hereinafter described acres on an acre-for-acre basis outlined in this subparagraph in the out of Region townships identified in this paragraph:

T 4 S, R 23 W (N½) S.M.
T 3 S, R 20, 21, and 23 W, S.M.
T 2 S, R 19–21 W, S.M.
T 1 S, R 19–21 W, S.M.
T 1 N, R 20 W, S.M.

Provided that should the respective village not have any 12(a) selections in the above, 12(a) selection for the following shall be traded under the provision of this paragraph:

T 2 N, R 18–21 W, S.M.
T 3 N, R 18–20 W, S.M.
T 4 N, R 19–21 W, S.M.
T 5 N, R 19–20 W, S.M.

VIII. A. CIRI and the Secretary shall publicly support the establishment of a unit of the National Park System in the Lake Clark area including those lands withdrawn under section 17(d)(2) of ANCSA and those lands described in paragraph VI–A of this agreement. The Secretary and CIRI shall also agree to seek a provision in said legislation that would provide that before entering into any contract arrangement to provide new revenue producing services within the proposed Lake Clark Unit of the National Park System within the boundaries of the Cook Inlet Region, the Secretary shall offer to CIRI in cooperation with Village Corporations within the Region when appropriate, the right of first refusal to provide such services, the right to remain open for a period of ninety days. CIRI and the Secretary shall seek legislation that provides that the United States may acquire lands selected by Village Corporations within the boundaries of the Lake Clark unit established by that legislation, but only with the consent of the appropriate Village Corporation.

B. CIRI and the Secretary shall publicly support the establishment of the Caribou Hills, Swanson River, Mystery Creek, and Andy Simons Wilderness Areas within the Kenai National Moose Range. CIRI and the Secretary shall seek a provision in such legislation that would provide that before entering into any contract or agreement to provide new revenue producing services within the Kenai National Moose Range, the Secretary shall offer to CIRI in cooperation with Village Corporations within the Region when appropriate, the right of first refusal to provide such services, the right to remain open for a period of ninety days.

IX. Lands conveyed to CIRI and/or its Village and Group Corporations in accordance with this document, notwithstanding their source (whether federal or state), shall upon conveyance to CIRI and/or the appropriate Village or Group Corporation, be considered and treated as conveyances under and pursuant to ANCSA, except as may be expressly provided otherwise in this document.

X. As soon as practicable after any estate or interest in federal lands to be patented to CIRI in accordance with this document is identified,

CIRI and the Secretary shall review all leases, contracts, permits, rights-of-way and easements covering or concerning such estate or interest to determine whether the administration thereof may be waived by the Secretary, in his discretion, in accordance with the provisions of section 17(g) of ANCSA.

XI. Effective the date that State lands to be conveyed to the United States for CIRI are designated by CIRI pursuant of paragraph II of this document, the State, if so authorized, shall place all revenues received from such lands in escrow to be transferred to the Region when appropriate. The administration of all leases, contracts, permits, rights-of-way and easements prior to the conveyance of such lands to the United States shall be by the State, except that all decisions concerning modification, conversion, renewal or appraisal of such interests will be with the concurrence of the Region. Effective the date of conveyance of such lands from the State to the Secretary, the State shall waive in favor of CIRI administration of all leases, contracts, permits, rights-of-way and easements totalling embraced by such lands. The State shall give timely written notice of the change of ownership and administration to the holders of rights on such lands.

XII. The responsibilities of and benefits accruing to the Secretary, the State and CIRI under this document shall become binding only when such legislation as is necessary has been enacted. Upon passage of such legislation, CIRI and all plaintiffs/appellants shall, with the consent of the Secretary, dismiss their pending appeal in *Cook Inlet Region vs. Kleppe*, No. 75-2252, (9th Cir.) by executing and filing pursuant to Rule 42(b) of the Federal Rules of Appellate procedure an agreement that the proceeding may be dismissed.

XIII. A. For the purposes of this document, a township shall be considered 23,040 acres.

B. The words "land" and "lands" as used in this document shall not include properties owned by the State of Alaska under section 6(m) of the Alaska Statehood Act and the Submerged Lands Act.

Appendix A

T. 1 N., R 11 W S.M.

Secs. 1–4, 9–12, 16, W½S17—comprising approx. 6,080 acres, more or less

T. 2 N., R 11 W S.M.

Sec. 9, approx. 70 acres in the SW¼ lying south and west of the high water mark on the south and west bank of the Kasilof River.

Sec. 16, approx 430 acres comprising all moose range lands in this section lying south and west of the high water mark on the south and west bank of the Kasilof River.

Sec. 21, all.

Sec. 22, approx. 130 acres comprising all moose range lands in this section lying south and west of the high water mark on the south and west bank of the Kasilof River.

Sec. 27, approx. 330 acres comprising all moose range lands in this section lying west of the high water mark on the west bank of the Kasilof River and those lands in this section lying south and west of the high water line on the south and west shore of Tustemena Lake.

Sec. 28, all.

Sec. 33, all.

Sec. 34, approx. 600 acres comprising all moose range lands in this section lying south and west of the high water line on the south shore and west shore of Tustemena Lake.

Sec. 35, approx. 290 acres comprising all moose range lands in this section lying south of the high water line on the south shore of Tustemena Lake.

Sec. 36, approx. 360 acres comprising all moose range lands in this section lying south of the high water line on the south shore of Tustemena Lake.

Comprising approximately 4,160 acres, more or less.

Appendix B

Appendix B–1

82,560 acres of the specified mineral estate to be selected from the following described lands:*

Priority

1—T. 8 N., R. 9 W: Secs. 1–8; Sec. 9 excluding E/2 SE/4, NW/4 SE/4, SE/4 NE/4; Sec. 10 excluding SW/4, S/2 SE/4, NW/4 SE/4, S/2 NW/4, NW/4; Secs. 11–14; Sec. 16 W/2; Secs. 17–20; Sec. 21 excluding NE/4, E/2 NW/4, NE/4 SW/4, N/2 SE/4, SE/4 SE/4; Secs. 23–26; Sec. 27 excluding N/2, SW/4, W/2 SE/4; Sec. 28 excluding SE/4, E/2 SW/4, E/2 NE/4, SW/4 NE/4; Secs. 29–31; Sec. 32 excluding S/2 SE/4, NE/4 SE/4, Sec. 33 excluding S/2, NE/4, S/2 NW/4, NE/4 NW/4; Sec. 34 excluding W/2, W/2 NE/4; Secs. 35–36–comprising approx. 18,440 acres.

1—T. 8 N., R. 10 W.: Secs. 1; 12–14; 23–26; 32–36–comprising approx. 7,680 acres.

1—T. 7 N., R. 9 W.: Sec. 3, E/2; Sec. 5 excluding S/2, NE/4; Secs. 6; 7; 8 excluding E/2, E/2 SW/4, E/2 NW/4, NW/4 NW/4; Sec. 10 excluding W/2 SW/4, W/2 NW/4, NE/4 NW/4; Sec. 14 excluding NE/4; Sec. 15; Sec. 16 excluding NW/4, N/2 NE/4, SW/4 NE/4; Sec. 17 excluding NE/4 NE/4; Secs. 18–36–comprising approx. 16,560 acres.

1—T. 7 N., R 10 W.: Secs. 1–5; 7–25; Sec. 26 excluding W1/2 SW1/4; Sec. 27 excluding S1/2 N1/2; Sec. 28 excluding S1/2 NE1/4, SE1/4, E1/2 SW1/4; Secs. 29–32; Sec. 35 excluding W1/2, S36 comprising approx. 19,920 acres.

2—T. 6 N., R 10 W.: Sec. 1; Sec. 2 excluding W/2 NW/4; Sec. 4 excluding N/2, SE/4, E/2 SW/4; Sec. 5–8; Sec. 9 excluding N/2 NE/4; Sec. 12; 16–17; 20–21–comprising approx. 7,600 acres.

4—T. 7 N., R 11 W., Sec. 23–26; 35; 36–comprising approx. 3,840 acres.

3—T. 6 N., R 11 W., Sec. 1–2; 11–14–comprising approx. 3,840 acres.

3—T. 10 N., R 7 W., Sec. 19–21; 28 (N/2); 29–32–comprising approx. 4,800 acres.

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*These lands total approximately 82,080 acres (7.58 townships). Any unselected portions of the above described lands shall be first priority selection for in-lieu selections from appendix B-2 below.

APPENDIX B–2

Up to 138,240 acres (6.0 townships) of specified mineral in lieu estate to be selected from the following described lands by priority ranking and in the order listed.

Priority

2—T. 9 N., R 9 W.: Sec. 13; 23 excluding SE/4 SE/4; Sec. 24 excluding W/2 SE/4, SW/4; Sec. 25 excluding W/2 E/2, W/2; Sec. 26 excluding E/2 E/2; Sec. 27; Sec. 31 E/2; Sec. 32–35; Sec. 36 excluding W/2 NE/4, NW/4, and N/2 SW/4–comprising approx. 6,120 acres.

3—T. 9 N., R 8 W.: Sec. 1–5; 7–36–comprising approx. 22,400 acres.

2—T. 6 N., R 9 W.: Sec. 1–17; 20–29; 34–36–comprising approx. 19,200 acres.

3—T. 8 N., R 8 W.: All-comprising approx. 23,040 acres.

2—T. 4 N., R 10 W.: Sec. 9–10; 13–36–comprising approx. 16,640 acres.

2—T. 4 N., R 11 W.: Sec. 25; 36-comprising approx. 1,280 acres.

3—T. 1 N., R 11 W.: Sec. 17 (E/2); Sec. 21–28; Sec. 33–36–comprising approx. 6,720 acres.

3—T. 3 N., R 11 W.: Sec. 1; 12–15; 22–27; 34–35–comprising approx. 8,320 acres.

3—T. 3 N., R 10 W.: Sec. 1–30–comprising approx. 19,200 acres.

3—T. 4 N., R 9 W.: Sec. 2 excluding SE/4; 3–10; 11 excluding E/2; Sec. 14 excluding E/2; 15–20; 21 excluding SE/4; 29–34–comprising approx. 12,480 acres.

APPENDIX C

If CIRI has on or before January 12, 1976 presented evidence satisfactory to the State that the villages of Kivk, Chickaloon, Alexander Creek, Nunilchik and Salamatof have withdrawn selection applications for and relinquished all claims to land in the Lake Clark, Lake Kontrashibuna and Malchatna River areas, the State shall convey under paragraph 11 of this document to the United States for reconveyance to CIRI all of the state lands identified or to be identified in this Appendix C. All conveyances of lands made in accord with this document shall pass all of the State's right, title and interest in the lands, including the minerals therein, as if those conveyances were made pursuant to section 22(f) of the Alaska Native Claims Settlement Act, except that dedicated or platted section line easements and highway or other rights-of-way may be reserved to the State.

1. Acreage from each of the five pools identified in this paragraph in the amounts therein set forth. Out of each such pool, the identity of the required acreage shall be determined to the extent possible by mutual agreement of the State and CIRI. For so many of the required acres as have not been so determined by agreement in each pool within eighteen months following implementation of this document, those remaining required acres shall be identified by CIRI's selecting acreage in that remaining amount from an array of 1½ that many acres within the pool, said array to be identified to CIRI by the State.

A. *Point McKenzie.*—3,200 acres must be identified from state lands within the following areas:

T 15 N, R3 W through 5W, S.M.
T 14 N, R4 W through 5W, S.M.
T13 N, R4 W S.M. (North of Knik Arm)

B. *Knik-Willow Pool.*—4,480 acres must be identified from state lands within the following areas:

T 16 N through 18 N. R 2W through 5W. S.M.

C. *Kashwitna Pool.*—38,400 acres must be identified from state lands within the following areas:

T 21 N through 25N, R3 and 4W, S.M. (or other nearby lands).

D. *Chickaloon Pool.*—4,800 acres must be identified from state lands within the following areas:

T 19 N, R3 E through 5E, S.M.
T 20 N, R4 E through 7E, S.M.

E. *Kenai Pool.*—115,200 acres must be identified from state lands on the Kenai Peninsula.

Provided however that the State may with CIRI's concurrence supplant acreage otherwise to be identified from the Kenai pool in subparagraph E on an acre-for-acre basis with lands near Alexander Creek, Nunilchik or Salamatof. Supplanting lands near any one of these villages may not exceed in acreage that number of acres to which the State is obligated under paragraph 3 to provide in respect of each of those three villages.

2.(a) Thirteen and one-half townships of lands in the Beluga Area Townships listed in this paragraph. The identity of those lands shall be determined by CIRI within eighteen months following the implementaiton of this document by nomination of compact units no less than ¼ township in size lying along township lines, provided that where constrained by selection pool boundaries or water bodies they may be smaller; *Provided*, However that if Tyonek Corporation desires to trade the surface estate it holds in the Kenai National Moose Range for State surface lands within the vicinity of its village lands but within CIRI's selection pool, it may obtain up to one township of such lands. If Tyonek Corporation does trade for CIRI's selection pool lands, CIRI shall select an equivalent acreage of other surface estate from within its selection pool.

T. 16 N., R. 14 W., S.M.;
T. 16 N., R. 13 W., S.M.;
T. 16 N., R. 12 W., S.M., Secs. 7, 16, 17, 18, 19, 20, 21, 22, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36;
T. 16 N., R. 11 W., S.M., Secs. 20, 21, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36;
T. 15 N., R. 14 W., S.M.;
T. 15 N., R. 13 W., S.M.;
T. 15 N., R. 12 W., S.M.;
T. 15 N., R. 11 W., S.M.;
T. 15 N., R. 10 W., S.M., W½, excluding Sec. 4;
T. 14 N., R. 15 W., S.M.;
T. 14 N., R. 14 W., S.M.;
T. 14 N., R. 13 W., S.M., W½;
T. 14 N., R. 11 W., S.M.;

T. 14 N., R. 10 W., S.M., W½;
T. 13 N., R. 15 W., S.M.;
T. 13 N., R. 14 W., S.M.;
T. 13 N., R. 10 W., S.M., E½ excluding lands east of the west bank of the Beluga River;
T. 12 N., R. 15 W., S.M.;
T. 12 N., R. 14 W., S.M., excluding Secs. 23, 24, 25, 26, 29, 31, 32, 33, 36;
T. 12 N., R. 10 W., S.M.;
T. 11 N., R. 13 W., S.M., Secs. 12, 13 excluding W½SW¼; 24 NE/4 NE/4.
T. 11 N., R. 12 W., S.M., Secs. 18, 19 excluding SW¼, S½ SE/4; 20.

(b) Provided. However, that the following described lands shall *not* be available for CIRI's selection of *subsurface* estate:

Beluga

T. 13 N., R. 10 W., S.M., Secs. 11, E-½; 12, 13, 14, 22, 23, 24, 25, 26, 27, 34, 35, 36.
T. 12 N., R. 10 W., S.M., Secs. 2, 3, 4, 5, 8, 9, 10.

Nicolaick

T. 11 N., R. 12 W., S.M., Secs. 16, SW-¼; 17, SW-½; 18, SE-¼; 19, E-½, E-½ W-½; 20; 21, W-½; 28, W-½; 29, 30, 31, 32.

(c) The State shall provide a floating, public, 300 foot wide transportation easement from T. 13 N., R. 14 W., S.M. to the shore of Cook Inlet in T. 11 N., R. 12 W., S.M. Said easement to be determined upon the ground at such future time as a need exists and there are adequate field data available upon which the State may finally plan and locate the corridor.

3. Lands in an amount equal to ¼ of the acres to which each of the villages of Knik, Chickaloon, Alexander Creek, [illegible]chik, and Salamsatof are or would be entitled under ANCSA Sec. 12(a), under selection applications on file with the BLM as of July 18, 1975, in the Lake Clark, Lake Kartrashibuna and Mulchatna River areas. Each acre identified for conveyance by the State hereunder must be located within or near the 11(a)(1) withdrawal of the village to which the displaced ANCSA acreage to which that acre corresponds would otherwise have passed under ANCSA. The lands so identified in respect to displaced acres attributable to Alexander Creek and Salamstof shall be conveyed by the State if and only if the village to which the displaced acres are attributable retains its village eligibility status under ANCSA.

Appendix D

Lands in the Lake Iliamna Area and in the Nushagak River and Lake Clark Drainages

(Paragraph III(A)(1))

I. The Secretary shall convey to the State at least 22.8 townships and no more than 27.0 townships of land from those presently withdrawn under section 17(d)(2) of the Alaska Native Claims Settlement Act in the Lake Iliamna area and within the Nushagak River or Lake Clark drainages near lands heretofore selected by the State.

II. The following townships shall be conveyed to the State as part of the minimum of 22.8 townships to be conveyed to the State from lands identified in paragraph I.

T 4N, R 36 W, S.M.
T 3N, R 36 W, S.M.
T 2N, R 36 W, S.M.
T 1N, R 36 W, S.M.
T 1S, R 37 and 38 W, S.M.
T 2S, R 37 and 38 W, S.M.
T 3S, R 37 and 38 W, S.M.
T 4S, R 37–39 W, S.M.
T 5S, R 40–42 W, S.M.
T 6S, R 40 W, S.M. (except sections 21–28, 33–36).
T 6S, R 41 and 42 W, S.M.
T 7S, R 42 W, S.M. (secs. 3–10, 15–18).

III. For each acre of valid village 12(a) selections relinquished in the Lake Clark, Lake Kontrash/buna and Mulchatna River areas pursuant to paragraph II of the document to which this forms an Appendix, the Secretary shall convey to the State, on an acre for acre basis, lands from within the 17(d)(2) area described in Paragraph I up to a total of 4.2 townships.

IV. To the extent that lands to be conveyed to the State pursuant to Paragraphs II and III above are not specifically identified in this Appendix, they shall be identified by mutual consent of the State and the Secretary from lands described in Paragraph I within 60 days of the date the State becomes bound to this document, or within 60 days of the date that any entitlement vests in the State pursuant to Paragraph III of this Appendix, whichever shall come first.

V. All lands granted to the State of Alaska pursuant to this Appendix D shall be regarded for all purposes as if conveyed to the State under and pursuant to section 6 of the Alaska Statehood Act: *Provided*, however, that this grant of lands shall not constitute a charge against the total acreage to which the State is entitled under section 6(b) of the Alaska Statehood Act.

Appendix E

Lands in the Talkeetna Mountains, Kamishak Bay and Tutna Lakes Areas

(Paragraph III(A)(2))

The Secretary shall convey to the State the following described lands, subject to valid village selections under section 12(a), but not 12(b), of ANCSA.

T 22N, R 2W, S.M.
T 23N, R 2W, S.M.
T 24N, R 1 and 2 W, S.M.
T 26N, R 1 and 2 W, S.M.
T 27N, R 2W, S.M.

T 29N, R 2W, S.M.
T 7S, R 26W. S.M. secs. 29-31
T 7S, R 27-29 W, S.M.
T 8S, R 26-29 W. S.M.
T 9S, R 26-30W, S.M.
T 10S, R 28-30 W, S.M.
T 11S, R 28-30 W, S.M.
T 4N, R 33-35 W. S.M.
T 3N, R 34 and 35 W, S.M.
T 2N, R 34 and 35 W, S.M.

Appendix F

Far North Bicentennial Park

(Paragraph III B)

T 12 N, R 3 W, S.M.:
Section 1.
Section 2.
Section 3 (except SW ¼).
Section 10 (except S ½).
Section 11 (except S ½).
Section 12.

T 13 N, R 3 W, S.M.:
Section 34 (except N ½ NE ¼ NE ¼)
Section 35 (except NW ¼ NW ¼, N ½ SW ¼ NE ¼ NE ¼)
Section 36 (except NE ¼ SE ¼ SE ¼ NE ¼)

Appendix G

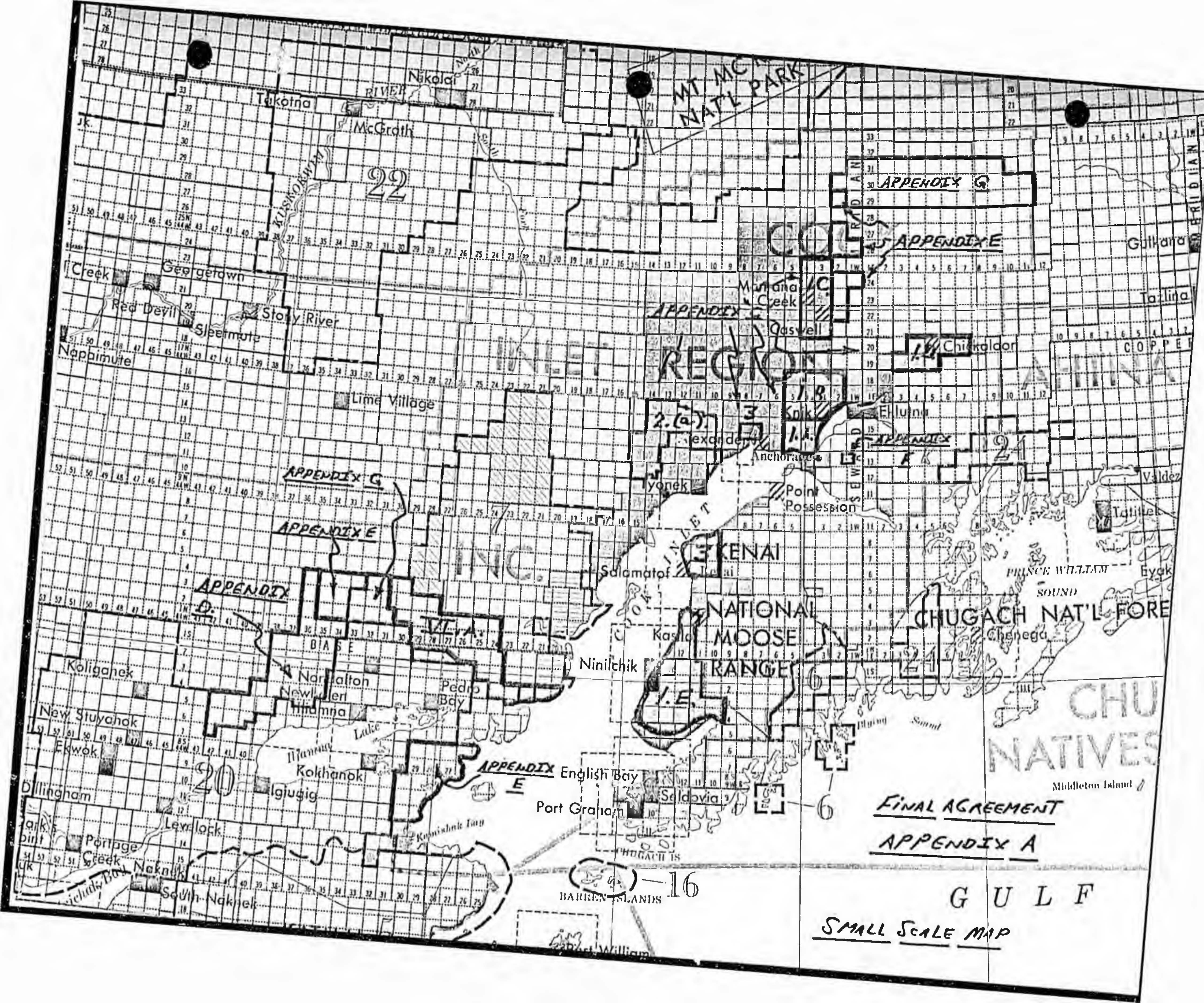
Talkeetna Mountains—Koksetna River Lands

(Paragraph III(c))

The Secretary is authorized and directed to make available for selection by the State, in its discretion, under section 6 of the Alaska Statehood Act, 12.4 townships of land to be selected from lands within the Talkeetna Mountains and Koksetna River areas as described below.
T 4N, R 31 W, S.M. (W ½).
T 4N, R 32 W, S.M.
T 3N, R 31 W, S.M. (W ½).
T 3N, R 32 and 33 W, S.M.
T 2N, R 31-33 W, S.M.
Subject to valid village 12(a) and 12(b) selections under ANCSA, the following lands located south of the Susitna River:
T 29N, R 11E—1 W, S.M.
T 30N, R 11E—2 W. S.M.
T 31N, R 9E—1 W, S.M.

Edwardsen v. *Morton*

During the Subcommittee hearings H.R. 6644, the Committee was made aware of an issue which may have long-range significance for the Native land claims settlement contained in the Settlement Act.



MT MCKINLEY NAT'L PARK
Nikolai
Takotna
McGrath
KUSKOKWIM
22
APPENDIX G
APPENDIX E
COOK
INLET
REGION
Gulkana
Creek
Georgetown
Red Devil
Stony River
Sleetmute
Napaimute
Montana Creek
APPENDIX
Caswell
Chickaloon
Tazlina
COPPER
AHTNA
Lime Village
Knik
Eklutna
2.(a).
1.B.
1.C
1.A
3
Alexander
Anchorage
APPENDIX F
24
Tyonek
Point Possession
Valdez
APPENDIX G
APPENDIX E
INC.
KENAI
Salamatof
Tatitlek
PRINCE WILLIAM SOUND
Eyak
APPENDIX D.
NATIONAL MOOSE RANGE
CHUGACH NAT'L FORE
Chenega
Kasilof
Ninilchik
Koliganek
Nondalton
Newhalen
Iliamna
Pedro Bay
1.E.
New Stuyahok
Ekwok
Iliamna Lake
Kokhanok
APPENDIX E
English Bay
20
Igiugig
Dillingham
Seldovia
Port Graham
CHU NATIVES
Middleton Island
FINAL AGREEMENT
APPENDIX A
Levelock
Portage Creek
Naknek
South Naknek
BARREN ISLANDS
CHUGACH IS
16
6
GULF
SMALL SCALE MAP
Port William

B

NOTE:

THIS SECTION CONTAINS OVERSIZED MAPS THAT MAY BE SEEN IN THE ORIGINAL FILE AT THE ALASKA STATE ARCHIVES.

COOK INLET LAND EXCHANGE

FEDERAL LEGISLATION

Attached is a copy of the House Report on the Bill, which contains:

1. The final language--Page 1

2. A Section by Section analysis--Page 14
   See Section 12 (Page 30) and Section 18 (Page 35).

Also attached is a copy of the House debate at the time the bill was passed--December 16, 1975.

94TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { No. 94-729

PROVIDING, UNDER OR BY AMENDENT OF THE ALASKA NATIVE CLAIMS SETTLEMENT ACT, FOR THE LATE ENROLLMENT OF CERTAIN NATIVES, THE ESTABLISHMENT OF AN ESCROW ACCOUNT FOR THE PROCEEDS OF CERTAIN LANDS, THE TREATMENT OF CERTAIN PAYMENTS AND GRANTS, AND THE CONSOLIDATION OF EXISTING REGIONAL CORPORATIONS, AND FOR OTHER PURPOSES

December 15, 1975.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HALEY, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany H.R. 6644]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H.R. 6644) To provide, under or by amendment of the Alaska Native Claims Settlement Act, for the late enrollment of certain Natives, the establishment of an escrow account for the proceeds of certain lands, the treatment of certain payments and grants, and the consolidation of existing regional corporations, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Page 1, beginning on line 3, strike out all after the enacting clause and insert in lieu thereof the following:

That (a) the Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") is authorized to review those applications submitted within one year from the date of enactment of this Act by applicants who failed to meet the March 30, 1973, deadline for enrollment established by the Secretary pursuant to the Alaska Native Claims Settlement Act (hereinafter in this Act referred to as the "Settlement Act"), and to enroll those Natives under the provisions of that Act who would have been qualified if the March 30, 1973, deadline had been met: *Provided*, That Natives enrolled under this Act shall be issued stock under the Settlement Act together with a pro rata share of all future distributions under the Settlement Act which shall commence beginning with the next regularly scheduled distribution after the enactment of this Act: *Provided further*, That land entitlement of any Native village, Native group, Village Corporation, or Regional Corporation, all as defined in such Act, shall not be affected by any enrollment pursuant to this Act, and that no tribe, band, clan, group, village, community, or association not otherwise eligible for land or other benefits as a "Native village", as defined in such Act, shall become eligible for land or other benefits as a Native village because of any enrollment pursuant to this Act: *Provided further*, That no tribe, band, clan, village, community, or village association not otherwise eligible for land or other benefits as a "Native group", as defined in such Act, shall become eligible for land or other benefits as a Native group because of any enrollment pursuant to this Act: *And provided further*, That any "Native group", as defined in such Act shall not lose its status as a Native group because of any enrollment pursuant to this Act.

(b) The Secretary is authorized to pay individual Natives properly enrolled to Native villages or Native groups which are not recognized as village corporations under section 11 of Alaska Native Claims Settlement Act and which are included within the boundaries of former reserves who elected to receive surface and subsurface entitlement pursuant to subsection 19(b) of the Settlement Act. The Secretary may allow these individuals the option to enroll to a Village Corporation which elected the surface and subsurface title under section 19(b)

or remain enrolled to the Regional Corporation in which the village or group is located on an at-large basis: *Provided*, That nothing in this subsection shall affect existing entitlement to land of any Regional Corporation pursuant to section 12(b) or 14(h)(8) of the Settlement Act.

(c) In those instances where, on the roll prepared under section 5 of the Settlement Act, there were enrolled as residents of a place on April 1, 1970, the minimum number of Natives required for a Native village or Native group, as the case may be, and it is subsequently and finally determined that such place is not eligible for land benefits under the Act on grounds which include a lack of sufficient number of residents, the Secretary shall, in accordance with the criteria for residence applied in the final determination of eligibility, redetermine the place of residence on April 1, 1970, of each Native enrolled to such place, and the place of residence as so redetermined shall be such Native's place of residence on April 1, 1970, for all purposes under the Settlement Act: *Provided*, That each Native whose place of residence on April 1, 1970, is changed by reason of this subsection shall be issued stock in the Native Corporation or corporations in which such redetermination entitles him to membership and all stock issued to such Native by any Native Corporation in which he is no longer eligible for membership shall be deemed canceled: *Provided further*, That no redistribution of funds made by any Native Corporation on the basis of prior places of residence shall be affected: *Provided further*, That land entitlements of any Native village, Native group, Village Corporation, Regional Corporation, or corporations organized by Natives residing in Sitka, Kenai, Juneau, or Kodiak, all as defined in said Act, shall not be affected by any determination of residence made pursuant to this subsection, and no tribe, band, clan, group, village, community, or association not otherwise eligible for land or other benefits as a "Native group" as defined in said Act, shall become eligible for land or other benefits as a Native group because of any redetermination of residence pursuant to this subsection: *Provided further*, That any distribution of funds from the Alaska Native Fund pursuant to subsection (c) of section 6 of the Settlement Act made by the Secretary or his delegate prior to any redetermination of residency shall not be affected by the provisions of this subsection. Each Native whose place of residence is subject to redetermination as provided in this subsection shall be given notice and an opportunity for hearing in connection with such reexamination as shall any Native Corporation which it appears may gain or lose stockholders by reason of such redetermination of residence.

SEC. 2. (a) From and after the date of enactment of this Act; or January 1, 1976, whichever occurs first, any and all proceeds derived from contracts, leases, permits, rights-of-way, or easements, issued pursuant to section 14(g) of the Settlement Act, pertaining to land or resources of lands withdrawn for Native selection pursuant to the Settlement Act shall be deposited in an escrow account which shall be held by the Secretary until lands selected pursuant to that Act have been conveyed to the selecting corporation or individual entitled to receive benefits under such Act. As such withdrawn or formerly reserved lands are conveyed, the Secretary shall pay from such account the proceeds which derive from contracts, leases, permits, right-of-way, or easements, pertaining to lands or resources of such lands, to the appropriate corporation or individual entitled to receive benefits under the Settlement Act together with interest. The proceeds derived from contracts, leases, permits, rights-of-way, or easements, pertaining to lands withdrawn or reserved, but not selected or elected pursuant to such Act, shall, upon the expiration of the selection or election rights of the corporations and individuals for whose benefit such lands were withdrawn or reserved, be deposited in the Treasury of the United States or paid as would have been required by law were it not for the provisions of this Act.

(b) The Secretary is authorized to deposit in the Treasury of the United States the escrow account proceeds referred to in subsection (a) of this section, and the United States shall pay interest thereon semiannually from the date of deposit, such deposit to bear simple interest at a rate determined by the Secretary of the Treasury: *Provided*, That the Secretary in his discretion may withdraw such proceeds from the United States Treasury and reinvest such proceeds in the manner provided by the first section of the Act of June 24, 1938 (25 U.S.C. 162a): *Provided further*, That this section shall not be construed to create or terminate any trust relationship between the United States and any corporation or individual entitled to receive benefits under the Settlement Act.

(c) Any and all proceeds from public easements reserved pursuant to subsection 17(b)(3) of the Settlement Act, from or after the date of enactment of this Act, shall be paid to the grantee of such conveyance in accordance with such grantee's proportionate share.

(d) To the extent that there is a conflict between the provisions of this section and any other Federal laws applicable to Alaska, the provisions of this section will govern. Any payment made to any corporation or any individual under authority of this section shall not be subject to any prior obligation under section 9(d) or 9(f) of the Settlement Act.

SEC. 3. The Settlement Act is amended by adding at the end thereof the following new section:

"SEC. 28. Any corporation organized pursuant to this Act shall be exempt from the provisions of the Investment Company Act of 1940 (54 Stat. 789), the Securities Act of 1933 (48 Stat. 74), and the Securities Exchange Act of 1934 (48 Stat. 881), as amended, through December 31, 1991. Nothing in this section, however, shall be construed to mean that any such corporation shall or shall not, after such date, be subject to the provisions of such Acts. Any such corporation which, but for this section, would be subject to the provisions of the Securities Exchange Act of 1934 shall transmit to its stockholders each year a report containing substantially all information required to be included in an annual report to stockholders by a corporation which is subject to the provisions of such Act.".

SEC. 4. The Settlement Act is further amended by adding at the end thereof the following new section:

"SEC. 29. (a) The payments and grants authorized under this Act constitute compensation for the extinguishment of claims to land, and shall not be deemed to substitute for any governmental programs otherwise available to the Native people of Alaska as citizens of the United States and the State of Alaska.

"(b) Notwithstanding section 5(a) and any other provision of the Food Stamp Act of 1964, in determining the eligibility of any household to participate in the food stamp program, any compensation, remuneration, revenue, or other benefit received by any member of such household under the Settlement Act shall be disregarded.".

SEC. 5. For purposes of the first section of the Act of February 12, 1929 (45 Stat. 1164), as amended, and the first section of the Act of June 24, 1938 (52 Stat. 1037), the Alaska Native Fund shall, pending distributions under section 6(cc) of the Settlement Act, be considered to consist of funds held in trust by the Government of the United States for the benefit of Indian tribes; *Provided*, That nothing in this section shall be construed to create or terminate any trust relationship between the United States and any corporation or individual entitled to receive benefits under the Settlement Act.

SEC. 6. The Settlement Act is further amended by adding a new section 39 to read as follows:

"SEC. 39. (a) Notwithstanding any provision of this Act, any corporation created pursuant to section 7(d), 8(a), 14(h)(2), or 14(h)(3) within any of the twelve regions of Alaska, as established by section 7(a), may, at any time, merge or consolidate, pursuant to the applicable provisions of the laws of the State of Alaska, with any other of such corporation or corporations created within or for the same region. Any corporations resulting from mergers or consolidations further may merge or consolidate with other such merged or consolidated corporations within the same region or with other of the corporations created in said region pursuant to section 7(d), 8(a), 14(h)(2), or 14(h)(3).

"(b) Such mergers or consolidations shall be on such terms and conditions as are approved by vote of the shareholders of the corporations participating therein, including, where appropriate, terms providing for the issuance of additional shares of Regional Corporation stock to persons already owning such stock, and may take place pursuant to votes of shareholders held either before or after the enactment of this section; *Provided*, That the rights accorded under Alaska law to dissenting shareholders in a merger or consolidation may not be exercised in any merger or consolidation pursuant to this Act effected prior to December 19, 1991. Upon the effectiveness of any such mergers or consolidations the corporations resulting therefrom and the shareholders thereof shall succeed and be entitled to all the rights, privileges, and benefits of this Act, including but not limited to the receipt of lands and moneys and exemptions from various forms of Federal, State, and local taxation, and shall be subject to all the restrictions and obligations of this Act as are applicable to the corporations and shareholders

which participated in said mergers or consolidations or as would have been applicable if the mergers or consolidations and transfers of rights and titles thereto had not taken place: *Provided*, That, where a Village Corporation organized pursuant to section 19(b) of this Act merges or consolidates with the Regional Corporation of the region in which such village is located or with another Village Corporation of that region, no provision of such merger or consolidation shall be construed as increasing or otherwise changing regional enrollments for purposes of distribution of the Alaska Native Fund; land selection eligibility; or revenue sharing pursuant to sections 6(c), 7(m), 12(b), 14(h)(8), and 7(i) of this Act.

"(c) Notwithstanding the provisions of section 7 (j) or (m), in any merger or consolidation in which the class of stockholders of a Regional Corporation who are not residents of any of the villages in the region are entitled under Alaska law to vote as a class, the terms of the merger or consolidation may provide for the alteration or elimination of the right of said class to receive dividends pursuant to said section 7 (j) or (m). In the event that such dividend right is not expressly altered or eliminated by the terms of the merger or consolidations, such class of stockholders shall continue to receive such dividends pursuant to section 7 (j) or (m) as would have been applicable if the merger or consolidation had not taken place and all Village Corporations within the affected region continued to exist separately.

"(d) Notwithstanding any other provision of this section or of any other law, no corporation referred to in this section may merge or consolidate with any other such corporations unless that corporation's shareholders have approved such merger or consolidation.

"(e) The plan of merger or consolidation shall provide that the right of any affected Village Corporation pursuant to section 14(f) to withhold consent to mineral exploration, development, or removal within the boundaries of the Native village shall be conveyed, as part of the merger or consolidation, to a separate entity composed of the Native residents of such Native village.".

SEC. 7. Section 17(a)(10) of the Settlement Act is amended to read as follows:

"(10) The Planning Commission shall submit, in accordance with this paragraph, comprehensive reports to the President of the United States, the Congress, and the Governor and legislature of the State with respect to its planning and other activities under this Act, together with its recommendations for programs or other actions which it determines should be implemented or taken by the United States and the State. An interim, comprehensive report covering the above matter shall be so submitted on or before May 30, 1976. A final and comprehensive report covering the above matter shall be so submitted on or before May 30, 1979. The Commission shall cease to exist effective June 30, 1979.".

SEC. 8. (a) Notwithstanding the October 6, 1975 Order of the United States District Court for the District of Columbia in the case of Alaska Native Association of Oregon et al. v. Rogers C. B. Morton et al., Civil Action No. 2133-73, and Alaska Federation of Natives, International, Inc., et al. v. Rogers C. B. Morton, et al., Civil Action No. 2141-73 (F. Supp.), changes in enrollment of Alaska Natives which are necessitated or permitted by such Order shall in no way affect land selection entitlements of any Alaska Regional or Village Corporation nor any Native village or group eligibility.

(b) Stock previously issued by any of the twelve Alaska Native Regional Corporations or by Alaska Native Village Corporations to any Native who is enrolled in the thirteenth region pursuant to said Order shall, upon said enrollment, be cancelled by the issuing corporation without liability to it or the Native whose stock is so cancelled: *Provided*, That, in the event that a Native enrolled in the thirteenth region pursuant to said Order shall elect to re-enroll in the appropriate Alaska Regional Corporation pursuant to the sixth ordering paragraph of that Order, stock of such Native may be cancelled by the Thirteenth Regional Corporation and stock may be issued to such Native by the appropriate Alaska Regional Corporation without liability to either corporation or to the Native.

(c) In the event section 5(a) of the Settlement Act is amended to re-open the Alaska Native Roll for additional enrollment, any Native enrolling under such authority who is determined not to be a permanent resident of the State of Alaska under criteria established pursuant to such Act shall, at the time of enrollment elect whether to be enrolled in the thirteenth region or in the region determined pursuant to the provisions of section 5(b) of the Settlement Act and such election shall apply to all dependent members of such Natives' household who are less than eighteen years of age on the date of such election.

(d) No change in the final roll of Alaska Natives established by the Secretary pursuant to Section 5 of the Settlement Act resulting from any regulation promulgated by the Secretary of the Interior providing for the disenrollment of Alaska Natives shall affect land entitlements of any regional or village corporation or any Native village or group eligibility.

SEC. 9. Section 16 of the Settlement Act is amended by inserting at the end thereof a new subsection (d) to read as follows:

"(d) The lands enclosing and surrounding the village of Klukwan which were withdrawn by subsection (a) of this section are hereby rewithdrawn to the same extent and for the same purposes as provided by said subsection (a) for a period of one year from the date of enactment of this subsection, during which period the Village Corporation for the village of Klukwan shall select an area equal to twenty-three thousand forty acres in accordance with the provisions of subsection (b) of this section and such Corporation and the shareholders thereof shall otherwise participate fully in the benefits provided by this Act to the same extent as they would have participated had they not elected to acquire title to their former reserve as provided by section 19(b) of this Act: *Provided*, That nothing in this subsection shall affect the existing entitlement of any Regional Corporation to lands pursuant to section 14(h)(8) of this Act: *Provided further*, That the foregoing provisions of this subsection shall not become effective unless and until the Village Corporation for the village of Klukwan shall quitclaim to Chilkat Indian Village, organized under the provisions of the Act of June 18, 1934 (48 Stat. 984), as amended by the Act of May 1, 1936 (49 Stat. 1250), all its right, title, and interest in the lands of the reservation defined in and vested by the Act of September 2, 1957 (71 Stat. 596), which lands are hereby conveyed and confirmed to said Chilkat Indian Village in fee simple absolute, free of trust and all restrictions upon alienation, encumbrance, or otherwise: *Provided further*, That the United States and the Village Corporation for the Village of Klukwan shall also quitclaim to said Chilkat Indian Village any right or interest they may have in and to income derived from the reservation lands defined in and vested by the Act of September 2, 1957 (71 Stat. 597) after the date of enactment of this Act and prior to the date of enactment of this subsection.".

SEC. 10. Section 16(b) of the Settlement Act is amended by adding at the end thereof the following: "Such allocation as the Regional Corporation for the southeastern Alaska region shall receive under section 14(h)(8) shall be selected and conveyed from lands not selected by such Village Corporations that were withdrawn by subsection (a) of this section, except lands on Admiralty Island in the Angoon withdrawal area and, without the consent of the Governor of the State of Alaska or his delegate, lands in the Saxman and Yakutat withdrawal areas.".

SEC. 11. Section 7(*i*) of the Settlement Act is amended by changing the period at the end thereof to a colon and adding the following: "*Provided*, That the boundary between the southeastern and Chugach regions shall be the 141st meridian: *Provided further*, That, with respect to any lands conveyed to it in the vicinity of Icy Bay, the Regional Corporation for the Chugach region shall accord to the Natives enrolled to the village of Yakutat the same rights and privileges to use such lands for purposes traditional thereon, including, but not limited to, subsistence hunting, fishing, and gathering, as it accords to its own shareholders, and shall take no unreasonably or arbitrary action relative to such lands for the primary purpose, and having the effect, of impairing or curtailing such rights and privileges.".

SEC. 12. Cook Inlet Settlement. (a) The purpose of this section is to provide for the settlement of certain claims, and in so doing to consolidate ownership among the United States, the Cook Inlet Region, Incorporated ("Region" hereinafter), and the State of Alaska, within the Cook Inlet area of Alaska in order to facilitate land management and to create land ownership patterns which encourage settlement and development in appropriate areas. The provisions of this section shall take effect at such time as all of the following have taken place:

(1) The State of Alaska has conveyed or irrevocably obligated itself to convey lands to the United States for exchange, hereby authorized, with the Region in accordance with the document referred to in subsection (b);

(2) The Region and all plaintiffs/appellants have withdrawn from Cook Inlet v. Kleppe, No. 75-2232, 9th Circuit, and such proceedings have been dismissed with prejudice; and

MOOSE RANGE, SWANSON RIVER

(3) All Native village selections under section 12 of the Alaska Native Claims Settlement Act of the lands within Lake Clark, Lake Kontrashibuna, and Mulchatna River deficiency withdrawals have been irrevocably withdrawn and waived.

The conveyances described in paragraph (1) of this subsection shall not be subject to the provisions of section 6(i) of the Alaska Statehood Act (72 Stat. 339).

(b) The Secretary shall make the following conveyances to the Region, in accordance with the specific terms, conditions, procedures, covenants, reservations, and other restrictions set forth in the document entitled "Terms and Conditions for Land Consolidation and Management in Cook Inlet Area," which was submitted to the House Committee on Interior and Insular Affairs on December 10, 1975, the terms of which are hereby ratified as to the duties and obligations of the United States set forth therein:

(1) Approximately 10,240 acres of land within the Kenai National Moose Range; except that there shall be no conveyance of the bed of Lake Tustamena, or the mineral estate in the water-front zone described in the document referred to in this subsection.

(2) Title to oil and gas and coal in not to exceed 9.5 townships within the Kenai National Moose Range;

(3) Federal interests in townships 10 South, Range 9 West, F.M., and township 20 North, Range 9 East, S.M.;

(4) Township 1 South, Range 21 West., S.M.; secs. 3–10, 15–22, 29 and 30; and rights to metalliferous minerals in the following sections in township 1 North, Range 21 West, S.M.: secs. 13, 14, 15, 22, 23, 24, 25, 26, 27, 28, 32, 33, 34, 35, 36;

(5) Twenty-nine and sixty-six hundredths townships of land outside the boundaries of Cook Inlet Region; unless pursuant to the document referred to in this subsection a greater or lesser entitlement shall exist, in which case the Secretary shall convey such entitlement;

(6) Lands selected by the Region from a pool which shall be established by the Secretary and the Administrator of General Services: *Provided*, That conveyances pursuant to this paragraph shall not be subject to the provisions of section 22(i) of the Alaska Native Claims Settlement Act: *Provided further*, That conveyances pursuant to this paragraph shall be made in exchange for lands or rights to select lands outside the boundaries of Cook Inlet Region as described in paragraph (5) of this subsection and on the basis of values determined by agreement among the parties, notwithstanding any other provision of law. Effective upon their conveyance, the lands referred to in paragraph (1) of this subsection are excluded from the Kenai National Moose Range, but they shall automatically become part of the Range and subject to the laws and regulations applicable thereto upon title thereafter vesting in the United States. The Secretary is authorized to acquire lands formerly within the Range with the concurrence of the owner. Section 22(c) of the Alaska Native Claims Settlement Act, concerning refuge replacement, shall apply with respect to lands conveyed pursuant to paragraphs (1) and (2) of this subsection, except that the Secretary may designate for replacement land twice the amount of any land without restriction to a native corporation.

No lands outside the exterior boundaries of Cook Inlet Region shall be conveyed to Cook Inlet Region, Inc., unless, in the following circumstances, the consent of other Native Corporations is obtained:

I. Where the township to be nominated is located within an area withdrawn as of December 15, 1975, pursuant to Section 11(a)(1) CIRI shall obtain the consent of the Region and Village Corporation affected.

II. Where the township to be nominated is located within an area withdrawn pursuant to Section 11(a)(3) as of December 15, 1975, CIRI shall obtain the consent of the Region in which the township is located.

There shall be established a buffer zone outside the withdrawals described in subparagraphs I and II which zone shall extend one township from any such Section 11(a)(3) withdrawal and one and one-half townships from any Section 11(a)(1). Any nomination of a township within such zone shall be subject to

Consent

the consent of the Region, or of the Village Corporation if adjacent to a Section 11(a)(1) withdrawal, provided, however, that the affected Regional Corporation may designate additional lands to be included by substitution in the buffer zone so long as the buffer zone location is no greater than two townships in width and the total acreage of the buffer zone is not enlarged. The affected Region shall designate the enlarged buffer zone, if any, no later than six months following the passage of this act. Any use or development by Cook Inlet Region, Inc., of land conveyed under this paragraph shall give due protection to the existing subsistence uses of such lands by the residents of the area; and no easement across Village Corporation lands to lands conveyed under this paragraph shall be established without the consent of the said Village Corporation or Corporations.

(c) The lands and interests conveyed to the Region under the foregoing subsections of this section and the lands provided by the State exchange under subsection (a)(1) of this section, shall be considered and treated as conveyances under the Alaska Native Claims Settlement Act unless otherwise provided, and shall constitute the Region's full entitlement under sections 12(c) and 14(h)(8) of the Alaska Native Claims Settlement Act. Of such lands, 3.5 townships of subsurface in the Kenai National Moose Range shall constitute the full surface and subsurface entitlement of the Region under section 14(h)(8). The lands which would comprise the difference in acreage between the lands actually conveyed under and referred to in the foregoing subsections of this section, and any final determination of what the Region's acreage rights under sections 12(c) and 14(h)(8) of the Alaska Native Claims Settlement Act would have been, if the conveyances set forth in this section to the Region had not been executed, shall be retained by the United States and shall not be available for conveyance to any regional corporation or village corporation, notwithstanding any provisions of the Alaska Native Claims Settlement Act to the contrary.

(d)(1) The Secretary shall convey to the State of Alaska, all right, title and interest of the United States in and to all of the following lands:

(i) At least 22.8 townships and no more than 27.0 townships of land from those presently withdrawn under section 17(d)(2) of the Alaska Native Claims Settlement Act in the Lake Illiamna area and within the Nushagak River or Koksetna River drainages near lands heretofore selected by the State, the amount and identities of which shall be determined pursuant to the document referred to in subsection (b); and

(ii) Twenty-six townships of lands in the Talkeetna Mountains, Kamishak Bay, and Tuina Lake areas, the identities of which are set forth in the document referred to in subsection (b).

All lands granted to the State of Alaska pursuant to this subsection shall be regarded for all purposes as if conveyed to the State under and pursuant to section 6 of the Alaska Statehood Act: *Provided*, however, that this grant of lands shall not constitute a charge against the total acreage to which the State is entitled under section 6(b) of the Alaska Statehood Act.

(2) The Secretary is authorized and directed to convey to the State of Alaska, without consideration, all right, title and interest of the United States in and to all of that tract generally known as the Campbell Tract and more particularly identified in the document referred to in subsection (b), except for one compact unit of land which he determines, after consultation with the State of Alaska, is actually needed by the Bureau of Land Management for its present operations: *Provided*, That in no event shall the unit of land so excepted exceed 1,000 acres in size. The land authorized to be conveyed pursuant to this paragraph shall be used for public parks and recreational purposes and other compatible public purposes in accordance with the generalized land use plan outlined in the Greater Anchorage Area Borough's Far North Bicentennial Park Master Development Plan of September 1974: *Provided*, That if the land is not used for the above purposes it shall revert to the United States. Except as provided otherwise in this paragraph, in making the conveyance authorized and required by this paragraph, the Secretary shall utilize the procedures of the Recreation and Public Purposes Act (44 Stat. 741), as amended, and regulations developed pursuant to that Act: *Provided, however*, that the acreage limitation provided by section 1(b) of that Act, as amended by the Act of June 4, 1954 (68 Stat. 173), shall not apply to this conveyance, nor shall the lands conveyed pursuant to this para-

graph be counted against that acreage limitation with respect to the State of Alaska or any subdivision thereof.

(3) The Secretary is authorized and directed to make available for selection by the State, in his discretion, under section 6 of the Alaska Statehood Act, 12.4 townships of land to be selected from lands within the Talkeetna Mountains and Kogseetna River areas as described in the document referred to in subsection (b).

(e) The Secretary may, notwithstanding any other provision of law to the contrary, convey title to lands and interests in lands selected by Native corporations within the exterior boundaries of Power Site Classification 443, February 13, 1958, to such corporations, subject to the reservations required by section 24 of the Federal Power Act.

(f) All conveyances of lands made or to be made by the State of Alaska in satisfaction of the terms and conditions of the document referred to in subsection (b) of this section shall pass all of the State's right, title, and interest in such lands, including the minerals therein, as if those conveyances were made pursuant to section 22(f) of the Alaska Native Claims Settlement Act, except that dedicated or platted section line easements and highway and other rights-of-way may be reserved to the State.

(g) The Secretary through the National Park Service, shall provide financial assistance, not to exceed $25,000, hereby authorized to be appropriated, and technical assistance to the Region for the purpose of developing and implementing a land-use plan for the West side of Cook Inlet, including an analysis of alternative uses of such lands.

(h) Village corporations within the Cook Inlet Region shall have until December 18, 1976, to file selections under section 12(b) of the Alaska Native Claims Settlement Act, notwithstanding any provision of that act to the contrary.

(i) The Secretary shall report to the Congress by April 15, 1976, on the implementation of this section. If the State fails to agree to engage in a transfer with the Federal Government, pursuant to subsection (a)(1), the Secretary shall prior to December 18, 1976, make no conveyance of the lands that were to be conveyed to the Region in this section, nor shall he convey prior to such date the Point Campbell, Point Woronzof and Campbell tracts, so that the Congress is not precluded from fashioning an appropriate remedy. In the event that the State fails to agree as aforesaid, all rights of the Region that may have been extinguished by this section shall be restored.

SEC. 13. Section 21 of the Alaska Native Claims Settlement Act of December 18, 1971 (85 Stat. 688), is hereby amended by adding the following subsection at the end thereof:

"(f) Until January 1, 1992, stock of any Regional Corporation organized pursuant to section 7, including the right to receive distributions under subsection 7(j), and stock of any Village Corporation organized pursuant to section 8 shall not be includable in the gross estate of a decedent under sections 2031 and 2033 of the Internal Revenue Code.".

SEC. 14. (a) The Secretary shall pay, by grant, $250,000 to each of the corporations established pursuant to section 14(h)(3) of the Settlement Act.

(b) The Secretary shall pay, by grant, $100,000 to each of the following Village Corporations:

(1) Arctic Village;
(2) Elim;
(3) Gambell;
(4) Savoonga
(5) Tetlin; and
(6) Venetie.

(c) Funds authorized under this section may be used only for planning, development, and other purposes for which the corporations set forth in subsections (a) and (b) are organized under the Settlement Act.

(d) There is authorized to be appropriated to the Secretary for the purpose of this section a sum of $1,600,000 in fiscal year 1976.

SEC. 15(a). The Secretary shall convey under sections 12(a)(1) and 14(f) of the Settlement Act to Koniag, Incorporated, a Regional Corporation established pursuant to section 7 of said Act, such of the subsurface estate, other than title to or the right to remove gravel and common varieties of minerals and materials, as is selected by said corporation from lands withdrawn by Public

Land Order 5397 for identification for selection by it located in the following described area:

T 36 S, R 52 W
T 37 S, R 51 W
T 37 S, R 52 W
T 37 S, R 53 W, sec. 1–4, 9–12, 13–16, 21–24, north ½ of 25–28
T 38 S, R 51 W, sec. 1–5, 9, 10, 12, 13, 18, 24, 25
T 38 S, R 52 W, sec. 1–35
T 38 S, R 53 W, sec. 1, 12, 13, 24, 25, 36
T 39 S, R 51 W, sec. 6, 7, 16–21, 28–33
T 39 S, R 52 W, sec. 1, 2, 11, 12, 13–16, 21–24
T 39 S, R 53 W, sec. 26, 33–36
T 40 S, R 52 W, sec. 6, 7, 8, 9, 16, 17, 18–21, 27–36
T 40 S, R 53 W, all except sec. 20, 29–33
T 40 S, R 54 W, all except sec. 35 & 36
T 41 S, R 52 W, sec. 4, 8–15
T 41 S, R 54 W, sec. 3
T 41 S, R 53 W, sec. 1, 2, 11, 12, 13

Notwithstanding the withdrawal of such lands by Public Land Order 5179 as amended, pursuant to section 17(d)(2) of the Settlement Act: *Provided*, That notwithstanding the future designation by Congress as part of the National Park System or other national land system referred to in section 17(d)(2)(A) of the Settlement Act of the surface estate overlying any subsurface estate conveyed as provided in this section, and with or without such designation, Koniag, Incorporated, shall have such use of the surface estate including such right of access thereto, as is reasonably necessary to the exploration for and the removal of oil and gas from said subsurface estate, subject to such regulations by the Secretary as are necessary to protect the ecology from permanent harm.

The United States shall make available to Koniag, its successors and assigns, sand and gravel as is reasonably necessary for the construction of facilities and rights of way appurtenant to the exercise of the rights conveyed under this section, pursuant to the provisions of 30 U.S.C. 601 et seq., and the regulations implementing that statute which are then in effect.

(b) The subsurface estate in all lands other than those described in subsection (a) within the Koniag Region and withdrawn under section 17(d)(2)(c) of the Settlement Act, shall not be available for selection by Koniag Region, Incorporated.

SEC. 16. Within ninety (90) days after the date of enactment of this Act, the corporation created by the enrolled residents of the Village of Tatitlek may file selections upon any of the following described lands:

COPPER RIVER MERIDIAN

Township	Range	Section
9 S	3 E	28, 26, 31–35.
0 S	3 E	2–27, 34–36.
1 S	4 E	5, 6, 8, 9, 16, 17, 21–22, 27–29, 33–35.
9 S	3 E	1–6, 9–11.
9 S	3 E	14–16, 21, 22, 27, 28.

The Secretary shall receive and adjudicate such selections as though they were timely filed pursuant to Section 12(a) or 12(b) of the Alaska Native Claims Settlement Act (85 Stat. 688) and were withdrawn pursuant to Section 11 of that Act.

The Secretary shall convey such lands selected pursuant to this authority as which otherwise comply with the applicable statutes and regulations. This section shall not be construed to increase the entitlement of the corporation of the enrolled residents of Tatitlek or to increase the amount of land that may be selected from the National Forests system. The subsurface of any land selected pursuant to this section shall be conveyed to the Regional Corporation for the Chugach Region pursuant to Section 14(f) of the Alaska Native Claims Settlement Act.

SEC. 17. Section 22(f) of the Alaska Native Claims Settlement Act is amended to provide as follows:

(f) the Secretary, the Secretary of Defense, the Secretary of Agriculture, and the State of Alaska are authorized to exchange lands or interests therein, including native selection rights, with the Group Corporations, Village Corporations, Regional Corporations, the Native Corporations, for the Cities of Juneau, Sitka, Kodiak and Kenai, other municipalities and corporations or individuals, the State (acting free of the restrictions of section 6(i) of the Alaska Statehood Act), or any federal agency for the purpose of effecting land consolidations or to facilitate the management or development of the land, or for other public purposes. Exchanges shall be on the basis of equal value, and either party to the exchange may pay or accept cash in order to equalize the value of the property exchanged: *Provided*, That when the parties agree to an exchange and the Secretary determines it is in the public interest, such exchanges may be made for other than equal value.

SEC. 18. Except as specifically provided in this Act, (i) the provisions of the Settlement Act are fully applicable to this Act, and (ii) nothing in this Act shall be construed to alter or amend any of such provisions.

PURPOSE

The purpose of H.R. 6644, introduced by Mr. Young of Alaska, is to amend and supplement, in certain respects, the Alaska Native Claims Settlement Act of December 18, 1971 (85 Stat. 688). Among other things, the bill as introduced, would accomplish the following:

The roll of Alaska Natives would be reopened for one year from date of enactment to enroll those Natives who failed to meet the March 30, 1973, enrollment deadline established by the Secretary of the Interior. No changes in land selection rights pursuant to the Settlement Act would occur as a result of the new enrollment process. (Sec. 1(a)).

The Secretary would be required to redetermine the place of residence of Natives who had enrolled in Native "villages" or "groups", as defined in the Settlement Act for purposes of receiving benefits, which villages or groups have subsequently been found ineligible. Prior distribution of benefits and land entitlements under the Act would not be affected (Sec. 1(c)).

Natives who reside on lands of, but are not members of, village(s) which elected to retain their former reservations under section 19(b) of the Act are given the opportunity to enroll to such village corporations. (Sec. 1(b)).

The Secretary is directed to establish an escrow account in which are to be deposited funds earned on lands withdrawn for Native selection pending issuance of patents thereon. Interest will be earned on such account and it will be paid out as interests appear upon issuance of final patents to the Native corporations. (Sec. 2).

Native corporations would be exempt from the provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, and the Investment Company Act of 1940 until December 31, 1991. (Sec. 3).

Clarification is made that (1) payments and grants to Natives under the Act are not to be deemed as a substitute for any government programs Natives otherwise would be eligible for as citizens and that (2) benefits received by Natives under the Act are not to be counted as income or other resources for purposes of the Food Stamp program. (Sec. 4).

Money, in the Alaska Native Fund, pending distribution, is to be

treated as trust funds of Indian tribes for interest and investment purposes. (Sec. 5).

Mergers of Native village corporations which are too small to be economically viable with other village corporations or with the regional corporation would be permitted under certain conditions. (Sec. 6).

The life of the Joint Federal-State Land Use Planning Commission is extended three years until June 30, 1979. (Sec. 7).

The decision of the village Klukwan to retain their former reservation under section 19(b) of the Settlement Act rather than share in the benefits of the Act resulted in a severe inequity to some of its members because of a prior valid right to the lands of such reservation. This inequity is corrected by, in effect, vitiating such election and allowing Klukwan to share in the Act's land benefits. (Sec. 9).

The Regional Native Corporation of the southeastern region (Sealaska, Inc.) is given authority to select its land entitlement under section 14(h)(8) of the Act from lands withdrawn for, but not selected by, village corporations of that region. (Sec. 10).

The boundary between the southeastern Native region and the Chugach region is confirmed at the 142st meridian. (Sec. 11).

The severe land selection problem encountered by the Cook Inlet Native region in securing its land entitlement under the Act is resolved by providing for certain conveyance of lands to the regional corporation from the U.S. and the State of Alaska. (Sec. 12).

The value of share of stock in Native corporations and the right to receive dividends therefrom are excluded from the gross estate of a Native shareholder for Internal Revenue Code purposes. (Sec. 13).

Grants of $250,000 each are authorized for the Native corporations of Juneau, Sitka, Kodiak, and Kenai and $100,000 each for the villages of Artic Village, Elim, Gambell, Savoonga, Tetlin, and Venetie for planning, development and other purposes for which these corporations were organized. (Sec. 14).

The Koniag Native regional corporation is conveyed title to approximately 186,000 acres of subsurface estate in lands which lands are proposed for inclusion in the Aniakchak Caldera National Monument. (Sec. 15).

Background

On December 18, 1971, the President signed into law the Alaska Native Claims Settlement Act (the Settlement Act), Public Law 92-203, 85 Stat. 688. This legislation extinguished all aboriginal claims to land in Alaska and in return provided the Natives (individually and through 12 Regional Corporations and approximately 220 Village Corporations established under the law's provisions) with a land settlement of approximately 40 million acres and a monetary settlement of nearly a billion dollars ($462,500,000) from the general fund of the Treasury, and $500 million from mineral revenues from lands in Alaska conveyed to the State under the Statehood Act after the enactment of the Settlement Act and from the remaining Federal lands, except Naval Petroleum Reserve No. 1).

Organization

The Act provided that, within 2 years from the date of enactment, the Secretary of the Interior was to prepare a roll of all Natives who

were born on or before, and who were living on, the date of enactment. Within one year of enactment, the Secretary was required to divide the State of Alaska into 12 geographic regions for purposes of the Settlement Act. The Natives of each region were authorized to establish a Regional Corporation to conduct business for profit under the laws of Alaska, and all 12 Regional Corporations have been organized. The Act also listed 217 villages, the members of which were to establish profit or non-profit Village Corporations. The Secretary was required to review the listed villages within 2½ years of enactment, disqualify those that do not meet the Act's criteria, and add those which do meet the criteria but were not listed in the Act. Some 220 Village Corporations have been established.

The Act also revoked existing Native reserves and authorized the Native Village Corporations formed on each reserve to elect to take either title to the reserve lands or the benefits of the Settlement Act. Native groups which were not eligible as villages were also asked to incorporate. Finally, the Natives of four urban centers in which the Native population constitutes a minority (Sitka, Kenai, Juneau, and Kodiak) were also expected to incorporate.

The Corporations are to issue stock to their members, however such stock is inalienable for a period of 20 years.

The Land

To permit the Regional and Village Corporations to select 38 million acres, the Act requires the Secretary to withdraw approximately 25 townships around each Native village listed in section 11 and, in case of insufficient lands within that area, withdraw nearby lands equal to three times the deficiency. The Secretary was authorized to withdraw and convey an additional 2 million acres outside the otherwise withdrawn areas for specific purposes: cemetery sites and historic places; not more than 23,040 acres for each Native group which does not qualify as a Native village; not more than 23,040 acres for each of the Native Corporations in four urban centers the populations of which are no longer composed predominantly of Natives (Sitka, Kenai, Juneau, and Kodiak); and not more than 160 acres for each Native living outside the otherwise withdrawn areas.

Of these withdrawn lands, the Village Corporations are to receive title to 22 million acres of surface estate only: 18½ million acres of surface estate in the 25 township areas surrounding each Village, divided among the villages according to population, and 3½ million acres of surface estate, divided among the Village Corporations in 11 regions (excluding the southeastern region, Sealaska) by the Regional Corporations on an equitable basis after considering historic use, subsistence needs, and population. The deadline for selection of lands by the Village Corporations was December 18, 1974.

The 12 Regional Corporations are to receive the subsurface estate in the 22 million acres patented to the Village Corporations, and the full title to 16 million acres selected within the 25 township areas surrounding the villages. This land would be divided among the 12 Regional Corporations on the basis of land areas within each region. The Regional Corporations would also receive the subsurface estate

of land selected by Native groups (one township, 23,040 acres, each), individual Natives residing outside villages (160 acres each), and the Native Corporations for Sitka, Kenai, Juneau, and Kodiak (23,040 acres each). The balance remaining from the two million acres withdrawn for the group, individual, and town selections after selection is made is also to go to the Regional Corporation. Finally, Regional Corporations would be conveyed cemetery and historical sites. The deadline for Regional Corporation land selections is December 18, 1975.

The Funds

The Act established in the Treasury an Alaska Native Fund into which is to be paid $462,500,000 in Federal funds over an 11-year period and a 2% overriding royalty from all proceeds received from the disposition of minerals subject to the Mineral Leasing Act in Alaska from both Federal (other than Naval Petroleum Reserve No. 4) and State lands until an additional sum of $500,000,000 is reached.

The Regional Corporations would receive all payments on a quarterly basis as funds are made available on passage of appropriations acts. The payments are divided among the regions on the basis of Native population. The Regional Corporations must also divide among themselves 70 percent of the mineral and timber revenues received by them from lands conveyed to them. Each Regional Corporation must then distribute to the Village Corporations and the class of stockholders who are not residents of these villages not less than 50 percent (45% during the first five years) of the funds granted to it and all timber and mineral revenues from its lands. During the first five years, not less than 10% of all corporate funds from the two above-mentioned sources are to be distributed by the Regional Corporations among their stockholders.

With some minor exceptions, the land and moneys received under the settlement are not taxable at time of receipt.

Explanation

The Alaska Native Claims Settlement Act is a very complicated, far-ranging law. It was the subject of exhaustive congressional hearings, consideration and debate. The final product represents a delicate balancing of the myriad of interests within the State of Alaska and the Nation as a whole.

The primary purpose of the Act was to finally settle the long-standing land claims of the Alaska Natives in a fair, expeditious manner. In addition, however, the Act attempted to secure the interests of the public at large preserving the unique status and value of certain lands in the State, in providing for the orderly development of the resources of Alaska, and in preserving the ecological and environmental balance on this land.

The Act also sought to permit the development of the vast energy potential of the State to aid in meeting the growing energy shortages of the Nation while meeting the needs of the Natives and of the public at large.

In light of the many issues and circumstances which the Act attempted to meet and equitably resolve, it is little wonder that

experience in the implementation of the Act has disclosed some deficiencies and oversights on the legislation. This is particularly true with respect to insuring that the Native beneficiaries of the Act obtained the rights to which they were entitled.

The Committee, in the exercise of its oversight responsibilities and in extensive hearings on the Settlement Act has identified several pressing deficiencies in the Act and resultant inequities which require legislative remedy. H.R. 6644, as amended, will provide that remedy.

Section-By-Section Analysis

SECTION 1

Subsection (a) of the bill authorizes the Secretary of the Interior to review all applications filed within one year after the date of enactment of the bill by persons who missed the March 30, 1973 deadline for filing applications for enrollment as Alaska Natives. The Secretary would then enroll those Alaska Natives who meet the qualifications for enrollment set out in the Alaska Native Claims Settlement Act except for their failure to meet the March 30, 1973 deadline.

In addition, section 1(a) sets forth the procedures for making all the changes required by amendments to the roll resulting from the new enrollments thereunder, specifically with regard to issuance of stock in the proper Native corporation to any Native newly enrolled and to future distributions under the Settlement Act. Also, the subsection provides that no land entitlements of "village" or "group" eligibility will be affected by the changes in enrollment thereunder.

Some 77,000 Alaska Natives filed timely enrollment applications and were included on the final roll certified by the Secretary of the Interior on December 18, 1973. However, approximately 800 applicants filed after the March 30, 1973 deadline. These applications were summarily denied. In addition, numerous other Natives were dissuaded from filing upon learning that the deadline had passed. Further, because of the remoteness and isolation of Native settlements in Alaska, the subsistence hunting and fishing culture of many Natives, and the wide dispersion of other Natives throughout the United States and foreign countries, many Natives did not receive timely notice about the enrollment process.

This new enrollment period will afford these Natives the opportunity to share in the benefits Congress intended for them. While there is no accurate count of eligible Natives who missed enrollment, estimates indicate that the number would be greater than 1,000.

Subsection 1(b) provides that the Secretary is authorized to poll Natives enrolled to villages or groups not recognized as village corporations under the Settlement Act and which are located within the boundaries of former reserves where village corporations elected surface and subsurface rights under section 19(b) of the Settlement Act. The Secretary may allow these natives to enroll to a section 19(b) village corporation or to remain enrolled on an at-large basis in the Regional Corporation of the region in which the village or group is located.

Although the language of the provisions is general and would apply to any case falling within its terms, the provision is specifically

directed toward an inequitable situation identified by the Committee on the Island of St. Lawrence. The villages of Gambell and Savoonga elected to retain and take title to their former reservation pursuant to section 19 of the Settlement Act. That former reservation constituted the entire Island.

Approximately 30 Natives who live on the Island enrolled to places other than Gambell or Savoonga. Since all the land was taken by the two villages as the former reserve, these Natives cannot realistically obtain land benefits as a Native group. The subsection will correct this and other such inequitable and unintended results of the Settlement Act.

The Committee adopted an amendment which makes clear that no enrollment changes resulting from subsection (c) will affect any land entitlements under section 12(b) or 14 (h)(8) of the Settlement Act. The Committee does not intend that the addition of the proviso be taken to be a congressional determination that any such enrollment change might or might not otherwise affect such entitlements.

Section 1(c) provides that, in those cases where, under the enrollment provisions of the Settlement Act, there were enrolled as residents of a place the minimum number of Natives necessary to qualify as a Native village or group and where it is later determined by the Secretary that such place is not eligible for land benefits as a village or group on grounds which include an insufficient number of residents, the Secretary is required to redetermine the place of residence of such Native as of April 1, 1970, and to enroll such Native in the appropriate Native corporation or corporations.

The subsection maintains existing or past distributions of funds or land entitlements under the Settlement Act notwithstanding such redetermination of residence. In addition, it affords an opportunity for notice and a hearing for those Natives whose residence is being redetermined and for those Native corporations gaining or losing stockholders.

SECTION 2

Section 2 contains provisions to correct ambiguities which have arisen during the implementation of the Settlement Act concerning the distribution of certain receipts and proceeds.

Subsection (a) provides the Secretary of the Interior with authority to deposit receipts derived from contracts, leases, permits, rights-of-way or easements pertaining to land or resources of land withdrawn for Native selection pursuant to the Settlement Act in an escrow account until such time as disposition is made of the land and then to transfer the receipts to the person or entity receiving title to the land. Upon the expiration of the selection rights of the Natives for whose benefit such lands were withdrawn or reserved, the proceeds from lands withdrawn but not selected are to be paid out as required under law. Subsection 2(b) provides the authority needed to pay interest on the funds held in the escrow account and to allow the Secretary of the Interior to reinvest them to obtain a higher return pursuant to the Act of June 24, 1938 (52 Stat. 1037, 25 U.S.C. 162(a)).

Despite the stricture provided in section 14(a) of the Settlement Act that patents to lands selected by Native corporations are to be conveyed "immediately after selection," delays between the selection of land by a Native corporation and the transfer of title to that corporation are unfortunately likely to occur. Several reasons for such delays, such as the absence of an easement policy, probably will be eliminated in the near future. Others are likely to continue for the duration of the Native land selection process, in that the Bureau of Land Management appears to lack the manpower and money necessary to process expeditiously the hundreds of selection applications which it has or will soon receive from the twelve Regional Corporations and the approximately 220 Village Corporations which have qualified for benefits under the Settlement Act.

Under existing law, any funds derived from lands owned by the Federal government must be deposited in the Treasury or other appropriate depository until title passes, despite the fact that such lands may have been selected by a Native corporation. Therefore, in the absence of section 2 of H.R. 6644, no authority exists to establish an escrow fund on behalf of the Native corporations. Accordingly, these corporations could be deprived of a significant asset which they would be entitled to receive but for the existence of problems beyond their control—delays in conveying the selected land and lack of authority to protect Native proceeds in the interim. The Settlement Act vests the Secretary of the Interior with interim authority to grant leases, contracts, permits, rights-of-way, and easements on Native lands. In a growing number of situations, Native corporations have wanted the Secretary to enter into one of these arrangements, but have been forced to abandon their plans due to the lack of escrow authority.

Subsection (c) relates to public easements reserved in any conveyance pursuant to section 17(b)(3) of the Settlement Act. Many of the actions arising from these reserved easements may not be performed until years after the conveyance has been issued. Although the reservation would have been made in the conveyance, section 2 would insure that proceeds derived from these section 17(b)(3) reserved easements at any time after conveyance has been issued will be paid to the grantee of such conveyance in accordance with the grantee's proportionate share. The Department of the Interior believes it would be administratively prohibitive to distribute the income to the owners of the land covered by the easement reservation without the certainty provided by section 2.

Subsection (d) provides that, where there is a conflict between the provisions of this section and other Federal law applicable to Alaska, this section will prevail. In addition, it provides that payments made to any corporation or individual from the escrow account shall not be considered revenue for purposes of the mineral revenue sharing section 9(d) and (f) of the Settlement Act.

SECTION 3

Section 3 adds a new section 28 to the Settlement Act which exempts Native corporations organized under that Act from the provisions of certain federal securities laws during the time that the stock of those

corporations is subject to prohibitions on sale or disposition, i.e. December 31, 1991.

A. The Investment Company Act of 1940

The exemption is necessary because of certain "mechanical" provisions of the Investment Company Act and the present uncertain status under the 1940 Act of Native corporations established pursuant to the Settlement Act. The 1940 Act requires highly technical registration and periodic reports to the Securities Exchange Commission (SEC) from corporations which are by design "investment companies" as well as corporations which are deemed "inadvertent" investment companies because more than 40 percent of their total assets, exclusive of cash and government securities, are held in the form of "investment securities."

The Native corporations are designed to be operating profitmaking business corporations. They are not expected to be "investment companies" as that term is customarily used. All of them will eventually own surface and/or subsurface interests in substantial amounts of land. Once the corporations are fully organized it is apparent that many of them will never be "investment companies" by virtue of their intentional business decisions or because they happen to have more than 40 percent of their non-cash assets in investment securities. The probable value of certain land interests makes it unlikely that several of these corporations will ultimately fall under the 1940 Act because of the 40 percent test.

The structure of the Settlement Act results, however, in substantial cash flowing to these corporations years ahead of conveyance and evaluation of land selections. Over $150 million has been distributed to Native corporations; whereas land selections have not yet resulted in title passing to the corporations, selections will not be completed until the end of 1975, at the earliest, and conveyances will not be completed for perhaps 15 years.

The Native corporations must do something with the money they are receiving. They cannot let it lie fallow in checking accounts, yet they are unprepared now to proceed immediately into profit-oriented business for themselves. To meet this problem corporations are to some extent planning to put money into commercial bank time deposits or certificates of deposit with interest returns somewhat higher than savings accounts, but lower than "high-risk" investment ventures.

These plans present another potential problem under the 1940 Act. While the Court of Appeals for the Second Circuit has held that "certificates of deposit" are not "investment securities" for 1940 Act purposes, the SEC staff informally takes a contrary position. Thus the Native coporations which prudently try to obtain moderate return by purchasing certificates of deposit may be required to undergo costly and time-consuming registrations under the 1940 Act only to find that three years from now when land selections are complete they are no longer subject to that Act and must then go through costly and time-consuming procedures to deregister. The end result is extensive paperwork and a needless waste of time, money, and manpower.

It is too early for these fledgling corporations to know even what their investment policies and legal and accounting problems may be to

make registration practicable for them under the Investment Company Act. On the other hand, the penalty for failure to register under that Act, even for a company which inadvertently becomes subject to its provisions, are severe. It is the purpose of Section 3 of H.R. 6644, amended, to provide the corporations formed under the Settlement Act with turnaround time in order to identify any problems which they may ultimately have under the Investment Company Act and to work out appropriate solutions for such problems internally and in consultation with the staff of the Securities and Exchange Commission.

The SEC has promulgated a temporary rule exempting Native corporations which register as investment companies from most of the provisions of the 1940 Act. Nonetheless, the exemption provided for in this section is necessary. The Committee is informed that some Regional Corporations have not registered under the SEC temporary rule and there exists some risk that their corporate acts and contracts might be vulnerable to challenge under the 1940 Act. The exemption will provide necessary breathing room to the SEC and the Native corporations in order to permit resolution of long-range solutions.

Another reason for temporarily exempting these entities from the Investment Company Act is to enable them to merge under provisions of Section 6 of H.R. 6644. In 1975 the NANA Corporation and the eleven Village Corporations in that region agreed on a plan of merger. The Natives spent about $200,000 in preparation and filing of a prospectus under the Securities Act of 1933. They did so in reliance on a "no-action" letter from the SEC advising them that no application would be necessary under section 17 of the Investment Company Act, a section which prohibits transactions between "affiliated persons" without a prior order from the SEC that the terms of the transaction are fair and equitable. At the last moment, however, the SEC withdrew their no-action letter, insisted on a section 17 application, and advised that no action would be taken on the application until extensive public hearings had been held. This administrative procedure imposes such substantial costs that merger may be impracticable. Since the very purpose of the merger authority in section 6 is to reduce administrative expense and overhead, it is appropriate at the same time to eliminate unnecessary expenses and delays imposed by federal securities laws.

B. The Securities Act of 1933 and the Securities Exchange Act of 1934

During the 20 year period when Native stock cannot be sold or transferred it is not necessary to subject these corporations to the expense and administrative burdens of compliance with the 1933 Securities Act and the 1934 Securities Exchange Act. Until December 1991, there will be no "market" in the stock of Native corporations since the stock is inalienable. Therefore it does not seem necessary to subject these corporations to the requirements of registering stock under the 1933 Act. The SEC has itself recognized that the 1933 Act need not be applied to those corporations in certain cases when it issued a "no-action" letter regarding the issuance of the initial shares of stock to Natives enrolled in Regional and Village Corporations.

The exemption from the 1933 Act is also needed to effectuate the merger authority in section 6. The 1933 Act requires that the stock be registered with the SEC, and a prospectus prepared and mailed

to all stockholders to whom the stock is offered, prior to the time at which they make the decision on the merger. Stock registration under the 1933 Act is an extremely elaborate and technical proceeding. The resulting prospectus, to be mailed to the stockholders, is intended to disclose every last detail bearing on the question of whether the person should acquire the stock. In the merger which NANA and the Village Corporations attempted to undertake in the spring of 1975, the prospectus, which had not yet been cleared by the SEC but which resulted from the SEC's initial round of comments on an earlier version submitted, consisted of a total of 80 printed pages, including 50 pages of financial statements, and accompanying footnotes, on all the corporations involved. In view of the lack of sophistication of most of the stockholders, particularly on matters such as complex mergers, such a document clearly is not an appropriate method of informing the stockholders. Yet, such a document would be required. It is extremely costly to prepare, and, as noted in the case of the NANA merger, costs well over $100,000. Clearly such costs for practical purposes would preclude the possibility of merger between two small Village Corporations which might be most in need of it.

Conversely, the tight restrictions of the 1933 Act on the verbal communications which may be made in conjunction with the prospectus virtually preclude any meaningful or simplified discussion at village or community meetings in order to explain merger to the stockholders. Thus the 1933 Act requires for disclosure an extremely complex and expensive document which does not serve its intended purpose at least as to Native corporations, but also precludes the one effective means of communication.

Similarly, application of the 1934 Securities Exchange Act is not necessary during the period when Native stock is inalienable. The 1934 Act applies to corporations with over 500 stockholders and $1,000,000 in assets. An exemption of Settlement Act corporations from only the 1940 Investment Company Act would result in all the Regional Corporations and approximately 19 of the Village Corporations being subject to the 1934 Act which requires expensive initial registration with the SEC, the filing of periodic reports with the SEC, and makes the detailed proxy rules applicable to any vote of stockholders. For the reasons discussed above under the 1940 Act, these requirements again have little proper application to Native corporations and do not fulfill their intended purpose in this context. In fact, in a recent letter to Congressman Lloyd Meeds in connection with the question of exempting the corporations from the 1940 Act, the SEC characterized the 1934 Act as "a statute which is designed basically to inform the Commission and the investing public as to securities of publicly traded companies." Since the stock of Native corporations may not be traded and the "public" may not invest in it until 1991, the 1934 Act has no proper application to these corporations.

Although the SEC has stated that the 1934 Act is designed to inform the "investing public" about securities, the federal securities laws do provide useful information to the stockholders as well as the investing public. Accordingly the new section 28 of the Settlement Act provides that any Native corporation which, but for the provisions of that section, would be subject to the 1934 Act, must transmit an annual

report to its stockholders containing subsantially all the information contained in annual reports of corporations subject to the 1934 Act. Such reports by Native corporations would not be filed with or reviewed by the SEC, but the Committee believes that the Native leadership will comply fully with the intent of this provision and will submit annual reports to their stockholders which are as effective in disclosing corporate activities as those prepared by companies regulated under the 1934 Act by the SEC. Finally, the Committee understands that the general provisions of Alaska law provide protection for Native stockholders from any corporate mismanagement and misrepresentations or omissions to represent in connection with sales of securities, and that Alaska courts would look to precedents under federal securities laws for appropriate standards of conduct by management and other persons connected with securities transactions. Native corporations have assured the Committee that they do not intend to seek an exemption from state securities laws on the basis of this exemption from federal laws and intend to pursue the passage of State legislation to the extent necessary to provide any appropriate additional protection. Therefore, it is not necessary at this time to impose additional federal requirements.

It should be noted that these corporations are being exempted from the federal securities laws on the understanding that federal regulation of Settlement Act corporations is not necessary to protect Native stockholders or the public during the twenty-year period when Native-owned stock cannot be sold. However, if this assumption proves invalid in light of experience, the Committee is prepared to re-impose such provisions of the federal laws as may be necessary. In short, the twenty-year exemption should be viewed by the Natives as an experiment which will be stopped if it is abused.

SECTION 4

Subsection (a) merely makes clear the congressional intent that payments and grants under the Settlement Act are not to be deemed a substitute for any governmental program or benefit which is otherwise available to Alaska Natives as citizens of the United States and Alaska.

Subsection (b) makes clear that benefits under the Settlement Act shall not be considered as income or other resources for purposes of the Food Stamp program. The background to subsection (b) is provided in an August 6, 1974, memorandum prepared by the Congressional Research Service of the Library of Congress:

THE LIBRARY OF CONGRESS, WASHINGTON, D.C. 20540

THE COUNTING OF INCOME FROM PAYMENTS UNDER THE ALASKA NATIVE CLAIMS SETTLEMENT ACT IN DETERMINING ELIGIBILITY FOR AND THE AMOUNT OF FOOD STAMP AND CASH WELFARE BENEFITS

Food Stamps

In March 1974, the State of Alaska notified the Federal offices of the Food Stamp Program (in the USDA's Food and Nutrition Service) that it was Alaska's interpretation that

payments made under the Alaska Native Claims Settlement Act (P.L. 92–203) should be *disregarded* in determining eligibility for the Food Stamp Program and the extent of the food stamp benefit received by participating households. In addition, it asked for a decision from the USDA as to whether these payments should or should not be disregarded under the Federal regulations and instructions governing the counting of income and resources in the Food Stamp Program.

Alaska based its interpretation on numerous grounds—most notably, the provisions of section 2(e) of the Alaska Native Claims Settlement Act.[1] Section 2(e) of the Act states, in part—

"... no provision of this Act shall replace or diminish any right, privilege, or obligation of Natives as citizens of the United States or of Alaska, or relieve, replace, or diminish any obligation of the United States or of the State of Alaska to protect and promote the rights or welfare of Natives as citizens of the United States or of Alaska; ..."

However, on April 22, 1974, the Washington headquarters of the Food Stamp Program notified its San Francisco regional office that payments to individuals and households under the Alaska Native Claims Settlement Act were *not to be disregarded* as income for purposes of the Food Stamp Program—although stock (in the various native corporations established under the Act) and land granted under the Act were to be disregarded as resources (assets) available to individuals and households applying for food stamps.[2] This notification was transmitted to Alaska—where payments under the Act were beginning—on April 23, 1974.

From discussions with Food Stamp Program personnel in San Francisco and Washington, D.C., it appears that the basic rationale behind the USDA's decision not to disregard these payments as income was that—

> Since the Alaska Native Claims Settlement Act contains no specific language requiring that these payments be disregarded in determining food stamp benefits,
>
> And since it is the general policy under the Food Stamp Program to count all income available for food expenditures unless legislation directs a disregard, and
>
> Income from payments under the Alaska Native Claims Settlement Act should be counted for food stamp purposes and to disregard them would grant Alaskan natives a privilege not granted to others applying for the Food Stamp Program.[3]

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[1] This description of the rationale behind Alaska's claim that these payments should be disregarded for food stamp purposes is based on information gained through discussions with the Food Stamp Program's San Francisco regional office. For a complete picture of the State's rationale, it would be advisable to obtain a copy of Alaska's letter to the USDA. The letter originated with Alaska's welfare commissioner.

[2] The actual text of the notification was—"For FSP [Food Stamp Program] purposes, cash payments made under P.L. 92-203 must be treated as income in accordance with the provisions of the program regulations. Stock and land received under P.L. 92-203 shall be excluded from resources as being unavailable to the household [applying for or participating in the Food Stamp Program]."

[3] As noted, this description of the reasoning behind the USDA's decision was gained through discussions with Food Stamp Program personnel—both in Washington and the San Francisco regional office. As yet, it has not been possible to obtain any *written* description of the USDA's rationale.

In addition, two points of "legislative history" were mentioned in discussing the reasoning backing up the USDA's decision. First, it was noted that the Senate version of the Alaska Native Claims Settlement Act (and the report accompanying it) contained language that might be construed to call for the disregarding of payments under the Act for Food Stamp Program purposes. However, this language did not find its way into the final Act, or the conference report. Second, provisions of a later act, P.L. 93–134, called for the disregarding of payments under court settlements of certain Indian claims in determining benefits under the Social Security Act.[4] However, this was *not* done in the case of payments under the Alaska Native Claims Settlement Act, for either Social Security Act programs or the Food Stamp Program.

Cash Welfare Benefits

In March 1974, HEW was notified of the questions existing as to whether to disregard payments under the Alaska Native Claims Settlement Act in determining eligibility for and the amount of cash welfare benefits under the Aid to Families with Dependent Children (AFDC) Program and the Supplemental Security Income (SSI) Program.

On May 3, 1974, Mr. Carlucci, Under Secretary of HEW, announced in Seattle that it had been decided that tax-exempt payments under the Alaska Native Claims Settlement Act *would be disregarded* in determining eligibility and benefits under the AFDC and SSI Programs (authorized by title IV–A and XVI of the Social Security Act). A later program instruction issued on July 3, 1974 (copy attached) confirmed this announcement for the AFDC Program, and SSI Program rules were also changed accordingly.

From discussions with Washington, D.C., personnel of HEW's Social and Rehabilitation Service and the content of the July 3, 1974 program instruction, it appears that HEW's basic rationale in deciding to disregard payments under the Alaska Native Claims Settlement Act in determining AFDC and SSI cash welfare benefits was that—

> The Alaska Native Claims Settlement Act, specifically section 2(c)[5] of the Act, required that the payments be disregarded to the extent they are tax-exempt.[6]

In addition it was pointed out in discussions that the provisions of P.L. 93–134 (requiring the disregarding of certain other Indian claims payments) could be construed to indicate a general Congressional intent that payments of Indian claims be disregarded in determining benefits under the Social Security Act programs administered by HEW (i.e., AFDC and SSI).

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[4] P.L. 93–134 did *not* require that these payments be disregarded for Food Stamp Program purposes.

[5] The relevant portion of section 2(c) of the Act is quoted at the beginning of this report.

[6] As noted, the only available *written* description of the rationale behind HEW's decision is the July 3, 1974 program instruction. As yet, it has not been possible to obtain any other written description of HEW's reasoning.

This inconsistency in Federal policy remained undisturbed until June 23, 1975. On that date, the United States Court of Appeals for the Ninth Circuit rendered a decision in *Hamilton* v. *Butz* (No. 75–1268) reversing the District Court's order denying a preliminary injunction to prohibit the Secretary of Agriculture and other public officials from considering funds paid to Natives under the Settlement Act as "resources" available to Native households in determining whether such households are eligible for assistance under the Food Stamp Act. The Court of Appeals ordered the District Court to permanently enjoin the Secretary from so deeming Settlement Act payments as "resources" and to prescribe "such other relief as may be necessary to restore the eligibility for food stamps to those Native households that have been denied food stamps because of the Secretary's decision that settlement payments are 'resources' and to compensate Native households that may have been overcharged for food stamps because of the Secretary's actions".

The Committee concurs fully in this decision and subsection (b) of section 4, in requiring restoration of Native eligibility for food stamps, provides assurance that the decision will stand.

SECTION 5

Section 5 corrects an anomalous situation regarding the Alaska Native Fund which has arisen as a result of rulings by the Comptroller General. Appropriations of federal funds under the Settlement Act are credited to the Alaska Native Fund upon enactment of the appropriation measure. Under section 6(c) of the Settlement Act the appropriated funds are not paid to the Native corporations until the end of the fiscal quarter. Thus the funds appropriated in settlement of the Natives' claims may remain in the Treasury for as long as three months before actual payment to the Natives.

Since 1929, federal law has provided that all funds with balances over $500.00 carried on the books of the Treasury to the credit of Indian tribes would bear interest at the rate of 4% per annum (Act of February 12, 1929; 45 Stat. 1164, as amended; 25 U.S.C. § 161a). Since 1938, federal law has permitted the Secretary of the Interior to withdraw such tribal funds from the Treasury for alternative investment (Act of June 24, 1938; 52 Stat. 1037; 25 U.S.C. § 162a). On October 31, 1972, the Comptroller General ruled that the provisions of these two laws were applicable to the Alaska Native Fund "pending enrollment" under the Settlement Act, 52 Comp. Gen. 248 (B–108430). On December 28, 1973, the Comptroller General ruled that as of December 31, 1973, after enrollment had been completed, the Alaska Native Fund would no longer bear interest or be eligible for investment by the Secretary of the Interior. The effect of this latter ruling is that funds appropriated under the Settlement Act for payment to the Natives may remain idle for up to three months without payment of *any* interest to the Natives. The United States in effect can use those funds during that period to offset other obligations as a form of interest-free loan.

According to a 1971 report of the Treasury Department, there were approximately 450 trust accounts maintained by the government to the

credit of American Indian groups.[1] All of those funds, with the exception of one with a balance under $500.00, earned interest under federal law. The Committee believes that the Alaska Native Fund should be treated like every other Indian tribal fund. It appears that the Alaska Native Fund is the *only* Indian tribal fund which does not earn interest and is not available for investment by Interior. The Committee believes that the appropriations into the Alaska Native Fund are, in substance, the property of the Natives from the date of enactment of the appropriations bill. The requirement of subsection 6(c) of the Settlement Act that funds be distributed at the end of the fiscal quarter was intended to avoid administrative inconvenience, not to permit the United States to use the Natives' funds during the interim. The provisions of section 5 of this bill would reverse the Comptroller General's decision of December 28, 1973, and restore the Alaska Native Fund to the status it held under his October 31, 1972, ruling and the status held by all other Indian tribal funds. Section 5 applies the provisions of 25 U.S.C. §§ 161a, 162a to the Alaska Native Fund as long as there are funds on deposit in that fund and regardless of the completion of the enrollment process.

The Committee adopted an amendment to this provision which make clear its intent that nothing in the amendment shall be taken to create or terminate any trust relationship between the United States and Alaska Native individual or corporation.

SECTION 6

Section 6 would amend the Settlement Act by adding a new section 30 to permit mergers or consolidations among Native corporations within the same region. This section is required to permit such mergers because sections 7(h) and 8(c) of the Settlement Act prohibit for a period of twenty years from the date of enactment of that Act the sale or other alienation of corporation shares issued pursuant to the Act except under certain limited circumstances. There is no exception concerning alienation for the purpose of merger or consolidation.

Many of the 220 Village Corporations appear to lack the financial wherewithal and trained manpower which they must possess to become economically viable entities. Village Corporation income will be derived primarily from two sources: distributions from the appropriate Regional Corporation and money derived from the development of the surface estate. Since many Village Corporations have relatively few shareholders, their monetary allocations from the region may be quite small. Moreover, Village Corporations which do not have lands with recreational, timber, or other surface potential will derive little income from this ownership. Finally, many Village Corporations in the remote areas of Alaska do not now possess a trained leadership group, and it is unlikely that they will be able to develop one or to hire needed personnel in the foreseeable future.

For these reasons, it is likely that many Village Corporations will fail if merger authority is not provided. Such a result would frustrate

[1] Receipt, Appropriation and other Fund Account Symbols and Titles, as of Jan. 11, 1971, Dept. of the Treasury, Fiscal Services, Bureau of Accounts, Dir. of Govt. Fin. Oper., Accts. 14X.000–14X.408, pp. 111–140.

the purposes of the Settlement Act, because Native shareholders would be denied the opportunity to participate in the benefits which the Act was intended to provide. Monetary income would be lost, and Native corporations could lose the use and control of their land. Moreover, the lack of sufficient cash flow to a failing corporation might require the hasty and undesired development of those natural resources which the corporation does possess. Such development could jeopardize Native culture, the preservation of which is a central objective of many Native groups. The failure of Native corporations would also have an adverse impact on the general economy of Alaska, for the State and its constituent regional and local areas have much to gain from the existence of financially viable Native entities.

Subsection (a) of the new Section 30 would authorize mergers or consolidations among Native corporations of the same region. It would also allow the subsequent merger or consolidation of merged or consolidated corporations with each other so long as they also are in the same region. The Native corporations affected by this provision are Regional Corporations established pursuant to section 7(d) of the Settlement Act, Village Corporations established pursuant to section 8(a), corporations for Native groups established pursuant to section 14(h)(2), and corporations established for the four urban centers (Sitka, Kenai, Juneau, and Kodiak) pursuant to section 14(h)(3).

Subsections (b) through (d) of the new section 30 set forth the procedures and conditions for such mergers or consolidations.

Subsection (b). Under subsection (b), all mergers or consolidations would be subject to the applicable provisions of the laws of the State of Alaska, as would any resulting corporations, and to such terms and conditions as are approved by the shareholders of the corporations involved. The mergers authorized by corporation shareholders either before or after passage of H.R. 6644 would be covered and could take place under the provisions of the Bill. Thus, subsection (b) would allow a merger to be completed upon enactment of H.R. 6644 which was approved by corporation stockholders with the merger vote contingent upon subsequent enactment of legislation. This provision is necessary because of ongoing efforts to merger Village Corporations, particularly in the NANA Region of Alaska.

Subsection (b) gives to the merger corporation, upon the effectiveness of the merger, all rights and benefits that the Settlement Act confers upon the individual corporations and also makes it subject to all the restrictions and obligations that were made applicable to the individual corporations by the Settlement Act. The provision specifically states that transfers of rights and titles made pursuant to a merger would not affect the tax exemptions granted by the Settlement Act.

Subsection (b) specifically provides for the issuance of stock in the newly merged or consolidated corporations. In particular, it authorizes the issuance of additional shares of Regional Corporation stock in instances where other Native corporations merge or consolidate with the Regional Corporation. This authorization is required because of the Settlement Act's section 7(g) requirement that Regional Corporations issue 100 shares of stock to each Native enrolled in their respective regions. Subsection (b) also states that "the rights accorded under

Alaska law to dissenting stockholders in a merger or consolidation may not be exercised in any merger or consolidation pursuant to this Act prior to December 19, 1991". The purpose of this provision is to eliminate any ambiguity as to the continued effectiveness of the Settlement Act's section 7(h)(1) prohibition against alienation of Native corporation stock for a period of twenty years.

The Committee adopted an amendment to subsection (b) which provides that if a village corporation which elected to retain its former reservation under section 19 of the Settlement Act merges or consolidates with another Native corporation within such region, nothing in such merger or consolidation shall affect any land entitlements, fund distributions, or revenue sharing rights under the Settlement Act. As in the case of section 1(b) of the bill, some question exists as to whether or not members of the so-called "19(b) Village Corporations" are to be counted as regional enrollees. The amendment adopted is merely to preserve the named entitlements or rights in any case and is not meant to be a congressional determination of that issue.

Subsection (c) concerns the rights of enrolled Natives who are shareholders of a Regional Corporation but are not residents of any of the villages in that region. Section 7(m) of the Settlement Act gives those Natives a right to receive dividents paid to Village Corporations under section 7(j) of that Act. This provision would allow the elimination of this right to dividends if it is part of a merger or consolidation plan but only if those non-village residents can, under the laws of the State of Alaska, vote as a class on the question of the merger or consolidation which contains the elimination provision. However, after any merger in which the special dividend rights were not affected and the at-large shareholders did not vote as a class on the merger, distributions to the at-large shareholders would continue as if the merger had not taken place.

Subsection (d) specifically provides that notwithstanding the provisions of H.R. 6644 or any other law, no merger or consolidation of Native corporations can take place without the approval of the shareholders of the corporations being merged or consolidated.

Subsection (e).—Section 14(f) of the Settlement Act provides that the right to explore, develop, or remove minerals from the subsurface estate in the lands within the boundaries of any Native village are to be subject to the consent of the Village Corporation. This provision provides protection to villages from a precipitate decision by Regional Corporations to develop the subsurface estate. This provision seeks to avoid potential conflicts between villages which are holders of the surface estate and which may be made concerned with preserving the use of the land in accordance with traditional local life-styles and subsistence economy and Regional Corporations which are holders of the subsurface estate and which may have as their focus the generation of revenues from the land. Without specific provisions to the contrary, once a Village Corporation merges or consolidates with other corporations under this new section 30, it would lose this authority over its immediate land base. Therefore to preserve this authority, subsection (e) has been included. Subsection (e) requires that any plan of merger or consolidation must provide that the 14(f) right of any

affected Village Corporation is to be conveyed, as part of the merger or consolidation, to a separate entity composed of the Native residents of that village.

SECTION 7

Section 7 extends the life of the Joint Federal-State Land Use Planning Commission for three years from December 31, 1976 to June 30, 1979.

The Joint Federal-State Land Use Planning Commission for Alaska was established pursuant to section 17(a) of the Settlement Act. The principal responsibilities of the Commission were set forth in section 17(a)(7) and 17(b) of the Settlement Act. That the Commission has met its responsibilities in an effective and even-handed manner is best demonstrated by the support for the extension of its term beyond the December 31, 1976, termination date. This support, as demonstrated in hearing testimony and communications with the Committee, comes from the Secretary of the Interior, the Governor of Alaska, the entire Alaska Congressional delegation, the Alaska Federation of Natives and various Regional Corporations, and environmental groups.

SECTION 8

Section 8 of H.R. 6644, as introduced, provided for the establishment of a 13th Region and the incorporation of a 13th Regional Corporation for the benefit of enrolled Natives who were not permanent residents of the State of Alaska.

Section 5(c) of the Settlement Act provided that such "non-resident" Natives (eighteen years of age or older) would elect, when they filed their application for enrollment, whether they wish to enroll in a 13th Region or in one of the twelve Alaska regions. If a majority of such non-residents voted for a 13th Region, the Secretary was required to establish such region and authorize the creation of a 13th regional corporation for their benefit to administer distribution of funds from the Alaska Native Fund. Those who voted against the 13th would be enrolled to the appropriate Alaska region.

In the event less than a majority voted for the 13th, the issue filed and all non-residents were enrolled to their appropriate region in Alaska.

When the Secretary of the Interior certified the final Native roll on December 18, 1973, he also declared that less than a majority of the non-resident Natives voted for the 13th and the 13th region issue had failed. All non-residents were, accordingly, enrolled in the appropriate Alaska region.

Two organizations (Alaska Federation of Natives International, Inc. and the Alaska Native Association of Oregon) representing the interests of non-residents and the concept of the 13th region, separately, brought suit against the Secretary in the United States District Court for the District of Columbia. Requesting that the declaration of the Secretary be declared invalid and that the 13th region be established, the Plaintiffs alleged, inter alia, that:

(1) certain departmental officials involved in the enrollment process had evidenced a bias against the 13th region;

(2) the Secretary had failed to recognize amendments by

non-residents to their original enrollment application changing their vote from "no" to "yes";

(3) the Secretary had improperly counted non-residents who had abstained as "no" votes; and

(4) there was a general denial of due process in the secretarial enrollment-election process.

Legislation was introduced in the 93rd Congress which would have established the 13th Region, notwithstanding the determination of the Secretary, but which failed of enactment. H.R. 6644, as introduced, contained similar language.

On October 6, 1975, the District Court entered a final order implementing an earlier order in 1974, directing the Secretary to create the 13th Region, enroll therein all non-resident Natives who had indicated, on his last formal communication with the Secretary, his desire to enroll in a 13th region, and to provide for the incorporation of the 13th regional corporation. As the Committee considered the bill, the implementation of that order by the Secretary was well underway.

As a consequence, the Committee struck all of section 8 of the bill as being made moot by the Court's order. However, it added back language as section 8 which it deemed necessary to supplement the Court's order. The amendment provides that no change in enrollment to either the 13th region or to one of the twelve Alaska regions which is required or permitted by the Court's order shall affect any land entitlements of an Alaska Native corporation existing at the time of the creation of the 13th region. Also, it provides that, in furtherance of the Court's order, any cancellation of stock of a Native shall be without liability to either the corporation or the individual. Finally, it provides that in the event the Native roll is re-opened for new enrollment, eligible Natives who are permenant non-residents of Alaska shall elect whether they wish to enroll in the 13th Region or the appropriate Alaska region at the time of their enrollment.

In addition, the Committee adopted an amendement which preserves land entitlements notwithstanding administrative changes in the Alaska Native roll. Under section 14 of the Settlement Act, land entitlements of villages corporations are established on a scale based upon population. Proposed Interior Department regulations setting up a procedure for challenging enrollments of individual Natives has raised the possibility that a village having a minimum number of shareholders for its existing entitlement could lose an entire township if only one of its shareholders is successfully challenged and disenrolled. While the Committee, by this amendment, has not determined whether the Secretary has or has not the authority to make such administrative changes in the roll, this amendment would preserve existing land entitlements notwithstanding any such changes in the roll.

SECTION

Section 9 amends section 16 of the Settlement Act by adding a new subsection (d).

Under section 19 of the Settlement Act, former reservations in Alaska established by Executive or Secretarial order or by Act of Congress, with the exception of the Annette Island Reserve, were abol-

ished. Native villages within such reserves had the option of retaining the lands, surface and subsurface, set aside as a reservation or of participating in land entitlements under the Settlement Act, in which case they received no subsurface rights. These rights are reserved for the regional corporations.

A reservation was set aside by the Act of September 2, 1957 for the Chilkat Indian Village which was organized pursuant to the provisions of the Indian Reorganization Act, as amended. The land was near the village of Klukwan and was an enlargement of an Executive order reservation. The same Act permitted the IRA corporation to lease the minerals underlying the lands for its benefit. This was done.

The Natives of the Klukwan village area voted to retain the former reserve. However, section 19 made such lands, in the hands of the Native corporations, subject to valid existing rights. One such right was the existing iron ore mineral lease by the IRA corporation which remained separate from the ANCSA corporation.

While all of the members of the IRA corporation are also members of the ANCSA corporation, the reverse is not true. Since the IRA corporation has a vested right to the subsurface of lands and very likely to the surface also, the net effect is that the ANCSA corporation and its shareholders have no real assets whatsoever.

The new subsection (d) of section 16 would, in effect, vitiate the election of Klukwan, Inc. to retain their former reserve. Lands which were withdrawn for them for selection prior to that election are to be rewithdrawn for a period of one year after the date of enactment of this section and Klukwan, Inc. is to select an area equal to 23,040 acres in accordance with the Act. The corporation and its shareholders will share fully in the benefits of the Act as if there had been no election under 19(b).

The foregoing provision will not become effective until Klukwan, Inc. quitclaims to Chilkat, Inc. any interest it may have in the former reserve lands which are quieted in Chilkat, Inc., in fee simple.

The Committee adopted an amendment to section 9 which provides that the United States and Klukwan, Inc., must also quitclaim any interest they may have in certain funds earned on the lease of the mineral resources of the former reserve since enactment of the Settlement Act to Chilkat, Inc.

In addition, the Committee adopted another amendment which provides that nothing in the new subsection shall affect existing land entitlements in 14(h)(8) of the Settlement Act.

SECTION 10

The Native region created by the Settlement Act for southeastern Alaska was precluded, generally, by the Congress from sharing in the land benefits of the Act. This area encompasses the Tlingit-Haida Indians. Prior to enactment of the Settlement Act, this tribe recovered an award of several million dollars against the United States for extinguishment of their aboriginal land claims in the southeastern area.

In consideration of this fact, the southeast region (Sealaska, Inc.) does not generally share in the land benefits accorded to other regional corporations. However, Sealaska, Inc., does receive certain land entitle-

ments under section 14(h)(8) of the Act. The estimate is that Sealaska's share will approximate 200,000 acres.

Practically the entire area of southeastern Alaska is encompassed by the Tongass National Forest. What remains is either State or privately-owned lands, national monuments, village selected lands, mountain tops or glaciers, or otherwise valueless lands. If Sealaska's entitlement under section 14(h)(8) is not to be meaningless, it must be allowed to select lands within the Tongass National Forest.

This section provides that Sealaska, Inc., may select its approximately 200,000 acre entitlement from lands which were withdrawn in the National Forest for selection by village corporation of the southeastern region, but which were not so selected. The section provides that Sealaska, Inc., may not select any lands an Admiralty Island in the withdrawal for the village of Angoon. In addition, no selections can be made in the withdrawal for the villages of Yakutat and Saxman, unless the Governor of the State of Alaska or his delegate consents to such selection.

SECTION 11

Section 11 resolves a dispute between the Chugach Regional Corporation and Sealaska on the boundary between the two regions. It confirms the boundary at the 141st meridian, but provides that the members of the southeastern regional village of Yakutat must be accorded certain traditional uses of lands in the vicinity of Icy Bay in the Chugach region. It is the intent of the Committee that the phrase "in the vicinity of Icy Bay" be construed narrowly to those areas to which the Natives of Yakutat can clearly show past and current traditional uses and that such use right shall not unreasonably restrain Chugach, Inc. from developing its lands in accordance with the purposes of the Settlement Act.

SECTION 12

From the outset of the implementation of the Settlement Act, there have been extreme difficulties encountered in adequately fulfilling the land entitlements of the Cook Inlet Regional Corporation under section 12(c) of the Settlement Act. Under the Statehood Act, the State had already obtained patents to much of the low-lying lands in the region, except for lands within the Kenai National Moose Range. In addition, the Secretary, in an agreement with the State of Alaska in 1972, committed additional lands to the State even though there had not yet been withdrawn sufficient lands for Cook Inlet Region. The subsequent efforts of the Secretary to fulfill his statutory obligation to Cook Inlet has yielded, for the region, selections largely comprised of mountains and glaciers, hardly the settlement contemplated by the Congress. Since early 1972, the Region has been attempting to resolve these issues by litigation, negotiation, and now by legislation.

In the last eight months, a series of intense discussions with the Secretary, the State, and various other interested groups (including local government, mining interests, and environmental groups) has resulted in a negotiated settlement entitled "Terms and Conditions for Land

Consolidation and Management in the Cook Inlet Area." The document harmonizes conflicting interests, seeking to adjust an equitable settlement for Cook Inlet Region consistent with the needs of Alaska and the public at large. As such, it is more than a Cook Inlet Region, Inc. settlement. It seeks to resolve harmful jurisdictional conflicts and arbitrary ownership patterns within the Cook Inlet region. It opens for development lands that should be in private ownership and conserves for public use lands that should have that status.

The section accomplishes this complex task by ratifying and incorporating the proposed "Terms and Conditions" as a part of the bill.

Under the bill, the Region agrees to shift more than half of its statutory entitlement away from the populated Cook Inlet area and, with the consent of the other regions (where applicable), into the adjacent regions.

The Federal government conveys approximately 50 townships of land to the State in addition to other valuable consideration (including a key tract near Anchorage and improved selection rights for the State under the Statehood Act) in exchange for approximately 20.5 townships of land to be conveyed to the United States for the benefit of the Cook Inlet Region and certain of its village corporations.

The Federal government conveys approximately 10,000 acres of the Kenai National Moose Range and certain other lands to the Cook Inlet Region, Inc., in addition to the lands received from the State. The lands thus received by Cook Inlet are in complete satisfaction of its entitlement under section 12(c) and section 14(h)(8) of the Settlement Act.

The settlement.—This section directs and authorizes the Secretary to perform the obligations imposed upon the United States by the section and the "Terms and Conditions for Land Consolidation and Management in the Cook Inlet Area," which document has been submitted to the House Committee on Interior and Insular Affairs, is incorporated into the section by reference, and is printed in full elsewhere in this report.

State participation.—The Committee views the context of an ongoing need for federal-state cooperation in the resolution of land issues in Alaska. The concentration of State patented land, selected within the Cook Inlet Region prior to the 1969 land freeze, makes State participation virtually indispensable. With respect to Cook Inlet, the bill provides the State with a more substantial role in the designation of any land to be received than was true under the Alaska Native Claims Settlement Act. The bill clears the opportunity for the Secretary to convey certain important tracts to the State and precludes the need for Regional selections that would impact important State interests. Resolution of the outstanding Cook Inlet issues precludes the need for Congressional evaluation of the Secretary's 1972 agreement with the State, subsequent to the passage of the Alaska Native Claims Settlement Act, making available to the State lands that might otherwise have satisfied the Cook Inlet Region entitlement. In addition, the Region relinquishes rights it may have to the Swanson River, Beaver Creek and certain other proven oil and gas fields, to lands in the Chelatna area, and to lands located near potential capital sites in the State. Under the bill, the Secretary must report to the

Congress, by April 15, 1976 on the State's final consent to the land consolidation and management plan. Until the issues are resolved, the Secretary is precluded from making conveyances to the State, as identified in the legislation, that would limit the opportunity of the Congress to devise a suitable legislated resolution.

Kenai National Moose Range.—The Secretary is directed to convey sixteen sections of unrestricted surface and subsurface estate, except for a zone along lake and river frontage in which the surface only is transferred and is subject to significant restraints to protect the environment. In addition, the Secretary is directed to convey up to 9.5 townships of subsurface in the Range. There are 3.5 townships in lieu of the Region's entitlement under section 14(h)(8) of the Act. In addition, the Secretary is directed to convey, up to the statutory limit, such subsurface under the Moose Range, as indicated in the "Terms and Conditions," to supplant "in lieu" entitlement under section 12(a) of ANCSA, to compensate for subsurface loss in the Lake Clark area, and in lieu of certain subsurface that would otherwise be obtained under section 14 of ANCSA. The subsurface rights in the Moose Range are to oil and gas and coal, but the extraction of coal is explicitly restricted to carefully supervised insitu liquefaction and gassification processes.

Extra-regional selection.—The Secretary is directed to convey approximately 29.66 townships from outside the boundaries of Cook Inlet Region. These will come from five named Regions unless there is specific consent from another Region and the Secretary and the State. The Regions from which the lands are to be selected have the power to consent. It is not anticipated that the consent will be unreasonably withheld. It was envisioned that the consent would provide, for the other Regions, the ability to protect, primarily, the subsistence interests of their stockholders and certain economic activities. The power to consent, as understood by the Committee, will not be linked to the extraction of consideration from Cook Inlet Region, Inc. Nor is it foreseen that the power would be exercised in withdrawals where the Region involved has no selection itself or where no villages within the Region have selections.

Exchange pool.—The Secretary is directed to maximize a pool of federal properties available to reduce the extent of out-of-region acreage. The Region, after such properties are declared surplus, would be permitted first priority. To the extent properties are made available pursuant to the process described in Section 3(e) of the Alaska Native Claims Settlement Act, only those clearance procedures, if any, there required, will apply. Village corporations may exercise Section 12(b) rights in the pool on the same basis as the Region, but only when the Region determines that it would be appropriate in light of the pool's primary function.

Village selection.—Because of the uncertainties rising from the negotiations, additional time is necessary for the village corporations in the Region to file their selections. The legislation provides an additional year. In case of failure of the agreement, the Region also needs the opportunity to alter its priorities but it is the hope of the Committee that this will be done administratively by the Secretary.

The Committee feels that the Cook Inlet Region was under some

constraints in the negotiations resulting in this agreement. It is expected that ambiguities and uncertainties in the complex, delicately balanced settlement will be resolved favorably, where appropriate, to the Cook Inlet Region.

SECTION 13

Section 13 amends section 21 of the Settlement Act by adding a new subsection (f).

The new subsection provides that, until January 1, 1982, the stock of any Native corporation, including the right to receive dividends therefrom, shall not be included in the gross estate of a decedent under sections 2031 and 2033 of the Internal Revenue Code.

SECTION 14

This section directs the Secretary to pay, by grant, $250,000 to each of the Native corporations of the cities of Juneau, Sitka, Kodiak, and Kenai, and $100,000 to each of the village corporations of Artic Village, Elim, Gambell, Savoonga, Tetlin, and Venetie.

Under the terms of the Settlement Act, the Native corporations organized for the Natives of the four named cities received limited land benefits. However, they are not entitled to share in the fund distribution of the Act. Without funds, these corporations have been severely hampered in carrying out their obligations and duties under the Settlement Act, to plan for the development of the resources, and to preserve and protect those resources.

The listed village corporations elected to retain their former reserves pursuant to section 19(b) of the Settlement Act. As a consequence they are also precluded from sharing in the monetary compensation of the Act. They too, are severely hampered in carrying out the functions which Congress intended.

SECTION 15

Section 15 directs the Secretary to convey to the Koniag, Inc., the Native Regional Corporation for the Kodiak Region, approximately 186,000 acres of subsurface estate in the area which was withdrawn for that purpose by Public Land Order 5397 and for the proposed Aniakchak Caldera National Monument under Public Land Order 5179. Koniag is permitted access to the surface as reasonably necessary to explore for and extract oil and gas, subject to reasonable regulations by the Secretary.

Under the terms of the Settlement Act, the regional corporations are entitled to the subsurface estate underlying the surface of lands selected by the village corporations of that region, except in cases where such selections are made in a National Wildlife Refuge or in Naval Petroleum Reserve Numbered 4. In that case, the region has the right to an "in lieu" subsurface selection of equal acreage from other lands withdrawn pursuant to section 11(a) of the Act, within the region if possible.

All of the villages of the Koniag region are on Kodiak Island which constitutes the Kodiak National Bear Refuge. As a consequence,

Koniag must take an "in lieu" selection to its subsurface entitlement from other available lands. The nearest such lands are across the straits on the Alaska peninsula.

Pursuant to section 17(d)(2) of the Settlement Act, the Secretary, by Public Land Order 5179, as amended, withdrew approximately 580,000 acres of land for the proposed Aniakchak Caldera National Monument.

Koniag's subsurface entitlement is approximately 600,000 acres. Approximately 380,160 acres were withdrawn by Public Land Order 5397 within the area withdrawn for the Aniakchak Caldera National Monument for purposes of such selection. Under the terms of the Settlement Act, such dual withdrawals are reserved for the Congress to decide.

Under the terms of an agreement reached with the Secretary, Koniag agrees to limits its rights in the 17(d)(2) withdrawal to approximately 186,000 acres of lands designated by the Secretary, with a limitation of oil and gas extraction subject to reasonable regulations by the Secretary to preserve surface values from permanent harm. As amended by the Committee, the section requires the Secretary to reasonably make available to Koniag sand and gravel necessary to exercise the rights conveyed.

SECTION 16

Section 16 is intended to prevent the Village Corporation for the Village of Tatitlek from losing part of its land entitlement as a result of a misunderstanding. Tatitlek relied on a consultant firm's advice and the apparent approval of the Interior Department in selecting two townships of its five township entitlement in an area withdrawn by the Secretary pursuant to section 17(d)(2) of the Settlement Act. Subsequently, however, the Bureau of Land Management disapproved the selection of the two townships. Because Tatitlek assumed that its selection had Departmental approval, it did not over-select other lands to provide alternate lands for selection in case its first selections were not approved. The deadline for village selections has passed and the Department has advised Tatitlek that no administrative remedy exists to allow re-selection of the two townships elsewhere. This amendment provides that Tatitlek can select the remainder of its entitlement—40,000 acres—from within the village deficiency area originally withdrawn for its selection.

SECTION 17

Section 17 amends subsection (f) of section 22 of the Settlement Act which provides certain authorities for land exchanges by Federal agencies with other land owners in Alaska.

In order to facilitate the Cook Inlet Area agreement provided for in section 12, the Department of the Interior advised that additional authorities for land exchanges would be needed.

The existing language of the subsection would not permit direct exchanges of land between the State and with Native corporations.

Secondly, section 6(i) of the Alaska Statehood Act prohibits the State from transferring the mineral interest to third parties in patents of lands selected by it under the Statehood Act.

Finally, the existing language of subsection (f) requires exchanges to be on the basis of equal value.

The amended language will permit direct exchanges of land between the State and Native corporations. It will permit the State or transfer mineral interests, notwithstanding section 6(i) of the Statehood Act, to Federal agencies in such exchanges. Finally, it will permit exchanges under this subsection to be on a basis other than equal value if the parties agree to the exchange and the Secretary deems it to be in the public interest.

SECTION 18

Section 18 is merely a savings clause which provides, that except as specifically provided in this legislation, the provisions of the Settlement Act are fully applicable to this legislation and nothing herein shall be construed to alter or amend those provisions.

TERMS AND CONDITIONS FOR LAND CONSOLIDATION AND MANAGEMENT IN THE COOK INLET AREA

Section 12 of H.R. 6644, as amended by the Committee, implements an agreement reached among the United States, the State of Alaska, the Cook Inlet Regional Corporation, and other interested parties to resolve the problem Cook Inlet Region, Inc., encountered in realizing its land entitlements under the Settlement Act. That section is general in terms and incorporates into it, by reference, the text of the agreement reached by the parties. The Committee intends that section 12 and the implementing agreement be construed together to give effect to the settlement of the Cook Inlet problem in a manner that is fair and equitable to the Cook Inlet Regional Corporation and the other parties.

The agreement is as follows:

TERMS AND CONDITIONS FOR LAND CONSOLIDATION AND MANAGEMENT IN THE COOK INLET AREA, DECEMBER 10, 1975

I. The United States shall convey to Cook Inlet Region, Inc., the following lands:

A. Sixteen (16) sections of land, as described in Appendix A, presently within the boundaries of the Kenai National Moose Range, excluding the bed of Lake Tustumina, but to be removed from the boundaries of the Range. The conveyance of these lands shall be subject to the following conditions:

(1) Included in the lands described in this paragraph shall be a restricted zone of lake front and river front lands, not to exceed an average of 160 acres per linear mile, to be measured from the high water line, the exact boundaries to be determined by mutual agreement between CIRI and the Secretary no later than September 1, 1976. The conveyance of the lands within this zone shall contain the following restrictions so long as Lake Tustumena remains a part of the Range:

(a) A restrictive covenant running with the land which provides that no development shall take place or facilities be

constructed within the zone, except those which are directly necessary to support water dependent activities, such as a boat dock, airplane tie-up and marina. Reasonable access to these facilities will be permitted. It is contemplated that a lodge may also be located within the restricted zone, provided, however, that the lodge shall be of such a design, size and at a location agreed upon by the United States Fish and Wildlife Service. CIRI must submit a request in writing to the Fish and Wildlife Service for approval of any construction or development within the zone, which approval will not be unreasonably withheld. The Fish and Wildlife Service will notify CIRI of its decision on any such request within 120 days of receipt of such request, and failure of any response will be considered as approval.

(b) a provision that CIRI will not sell the lands to any third party for a period of 25 years from the date of the conveyance, without the consent of the Secretary.

(c) a provision that CIRI and its assigns will offer the United States the right of first refusal to purchase the lands if the lands are ever sold. The right of first refusal shall be for a period of 120 days from the date of notice in writing to the United States that the owner of the land has received a bonafide offer of purchase. The United States shall not be deemed to have exercised its right of first refusal if the owner does not consummate this sale in accordance with notice to the United States.

(d) the conveyance of the lands comprising this restricted zone shall not include the bed of Lake Tostamena and shall only convey the surface estate to CIRI. The United States shall retain the rights in oil and gas and all minerals, including but not limited to common varieties of minerals.

(e) the United States reserves the right of re-entry on these lands to be exercised upon occurrence of the following conditions:

(1) The United States obtains a final judgment in a proceeding in law or equity to enforce in whole or in part the restrictive covenants contained in the conveyance of the lands described in this section; and

(2) subsequent to such final judgment, the United States institutes proceedings in law or equity to enforce the provisions of the restrictive covenants which were the subject of the final judgment obtained in subparagraph (1) of this paragraph. The right of re-entry shall be asserted in such subsequent action but may not be actually exercised except upon and in accordance with the final judgment in favor of the United States in such subsequent action.

(3) such right of re-entry shall be limited, in any case, to the lands which were the subject of the final judgment referred to in subparagraph (1) hereof.

(2) The remainder of the lands described in Appendix A shall be conveyed to CIRI without restriction, other than the reserva-

tion of those easements authorized by 17(b) of ANCSA or other applicable federal statutes. The conveyance of such remainder shall include both the surface and the subsurface estates to such lands.

B. Three and fifty-eight one hundreds (3.58) townships of the subsurface estate to oil and gas and coal as identified in Appendix B; provided that the United States shall retain all other minerals including but not limited to common varieties of minerals; and provided that the right to extract coal shall be conditioned upon the opening for the extraction of coal of that portion of the Range in which these lands are located, and provided further, that coal shall only be extracted in a liquid or gaseous state. The extraction of oil and gas and coal shall be conducted in accordance with a surface use plan approved by the Secretary. Such extraction shall be undertaken in accordance with the most advanced technology commercially available at that time and causing the least practicable temporary and permanent harm to the fish and wildlife habitats of the Range. Any surface damage caused by the exercise of the rights herein must be repaired or reclaimed by CIRI, its successors and assigns, as rapidly as practicable without unreasonable interference with the rights of extraction. The United States shall make available to CIRI, its successors and assigns, sand and gravel as is reasonably necessary for the construction of facilities and rights of way appurtenant to the exercise of the rights conveyed under this section, pursuant to the provisions of 30 U.S.C. 601 et seq., and the regulations implementing that statute which are then in effect. By mutual consent of CIRI and the Secretary, CIRI may exchange any interest described in this paragraph for other mineral interests of equal value outside the boundaries of the Kenai National Moose Range.

(1) All federal lands and interests in lands within the following:

(a) T. 10 S., R. 9 W., F. M. (Healy); and

(b) T. 20 N., R. 9 E., S. M. (Glenn Highway).

(2) T 1 N R 21 W, S. M. (sections 13, 14, 15, 22, 23, 24, 25, 26, 27, 28, 32, 33, 34, 35, 36). The Secretary shall only convey the rights to metalliferous minerals in the land herein described. Extraction of such minerals shall be subject to a surface use plan submitted by CIRI and approved by the Secretary. Surface use of the purposes of exploration, extraction, access and beneficiation shall be conducted in accordance with the most advanced technology commercially available at that time consistent with the exercise of the rights conveyed under this subparagraph. CIRI, its successors and assigns, shall be required to repair and reclaim any surface damage as rapidly as practicable consistent with the reasonable exercise of such mineral rights.

(3) T 1 S, R 21 W, S. M. (Sections 3–10, 15–22, 29 nd 30). The Secretary shall transfer to CIRI the above described lands in fee simple. Such conveyance shall be subject to a restrictive convenant, running with the land, providing that the surface shall only be used for purposes reasonably incident to mining and mineral extraction, including processing and transportation. The Secretary shall also convey to CIRI, an easement for a port which shall reasonably provide for receiving, shipping, storage and incidental handling, and incidental facilities thereto, of the minerals extracted from the lands conveyed under

this subparagraph. The Secretary shall also convey to CIRI a transportation easement to provide for transportation by road, rail or pipeline, of the minerals from the above described lands to the port easement. The Secretary and CIRI shall mutually agree upon the location of the port and transportation easements.

C. (1) Twenty nine and sixty six one hundredths (29.66) townships from any federal public lands withdrawn under sections 11(a)(1), 11(a)(3), and 17(d)(1) without the exterior boundaries of Cook Inlet Region; to be identified in the manner herein provided; provided that if CIRI's total entitlement under Section 12(c) of ANCSA is determined to be greater or less than 54 townships, the number of townships to be conveyed under this paragraph (hereinafter out-of-Region entitlement) shall be increased or decreased one for one.

(a) lands to be nominated and conveyed under this paragraph C-1 shall be limited as follows: The entitlement shall be satisfied from lands within Ahtna Region, Bristol Bay Region, Calista Region, Chugach Region, and Doyon Region. With the concurrence of the Secretary and the State and any affected Region other than those described above, selections may be made from one or more of the other Regions, on the basis hereinafter described or on such other basis as the parties shall contemporaneously agree. CIRI shall not nominate any of the following:

(1) lands located west of the 161 degree west longitude of Greenwich Meridian

(2) lands within Areas of Environmental Concern as described in the Secretary's 1973 Four Systems proposals to Congress

(3) lands within any of the Secretary's 1973 Four Systems proposals to Congress

(4) lands made available to the State for selection pursuant to Sections 2 and 5 of the State-Federal Agreement of September 1, 1972.

(b) By May 1, 1976 the Secretary shall, after consultation with the State, submit to CIRI a list of areas where approval of out-of-Region selections is unlikely. CIRI may thereafter nominate to the Secretary, with simultaneous notice to the State, a township or townships for selection. Within 120 days after such nomination, the Secretary after consultation with the State shall approve or disapprove it for withdrawal for placement in the selection pool as described herein. By October 18, 1978 CIRI must nominate at least 6 times its remaining out-of-Region entitlement. If the Secretary fails to approve a pool of three times that remaining out-of-Region entitlement from said nominations, then he and CIRI, by mutual consultation and study, shall agree by January 18, 1979 on sufficient additional townships to compose that number. The Secretary must, on that date, report to Congress as to the operation of this selection mechanism, and the need for remedial legislation, if required. Upon completion of the pool, the State and CIRI shall commence a striking and selecting process. The State may strike ten percent of the pool and the Region may select a number of townships equal to ten percent of the original pool. Alternate strikes and selections of five percent of the

original pool shall continue until CIRI's out-of-Region entitlement is, as defined in this paragraph, satisfied. The State and CIRI must complete this process within four months of completion of the pool. Notwithstanding the foregoing, with the consent of the United States, State of Alaska, and CIRI, lands may be conveyed without resort to the pool and striking mechanism herein provided, or in the manner described in subparagraph 2 of this paragraph C, in which case the number of townships to be nominated, pooled, struck and selected, shall be reduced proportionately.

(c) The State may continue to select lands under the Statehood Act which may be affected by this paragraph C, provided however, that any Regional nomination made hereunder shall be superior to and take precedence over any such State selection made after July 18, 1975. None of those lands selected by the State under the Statehood Act after July 18, 1975, and also nominated by CIRI pursuant to this paragraph C, shall be tentatively approved for patent to the State by the Department of the Interior for so long as these lands are potentially available to CIRI under this subparagraph unless CIRI has consented to such tentative approval.

(d) Lands approved by the Secretary for the out-of-Region pool shall, as of the date of such approval, be withdrawn from all forms of entry and location under the Public Land Laws including the mining and mineral leasing laws, but not from selection by the State, for so long as the said lands shall be included in the said pool.

(e) Prior to nomination of any townships for secretarial approval, the Region shall obtain the consent of other Native Corporations where applicable, and a copy of such consent shall be attached to such nomination.

(f) CIRI shall select its out-of-Region entitlement in blocks no less than 36 sections in size, along section lines, with no segment of an exterior line less than six miles in length, unless the Secretary specifically authorizes another manner of selection.

(g) CIRI may, with the consent of the Secretary and the State, select that portion of the mineral estate reserved by the United States in a township if the remainder of the estate may not be legally or readily available for selection, in which case, however, such substitute selection shall be treated as full satisfaction of the entitlement represented by the acreage involved and no additional selection rights shall arise by reason of the lack of conveyance of the entire estate.

(h) It is the intent of the Secretary and the State that all out-of-Region selections shall be as compact as is practicable, and that wherever possible, CIRI shall select lands which are contiguous to privately-owned lands.

(i) Nothing in this paragraph shall be construed as limiting any Congressional review and approval of the Secretary's 1973 four systems proposals to Congress.

2(a) The Secretary, in conjunction with the General Services Administrator, shall promptly identify and take the necessary steps by

January 15, 1978, to create a selection pool which shall consist of all the following lands, within the exterior boundaries of the Cook Inlet Region, now in existence or hereafter coming into existence by January 15, 1978:

(i) abandoned or unperfected public land entries, provided however, that the United States shall not be obligated to initiate any adversary proceedings other than an adjudication by the BLM to determine if such entries are abandoned or unperfected, and the burden of identifying such lands shall be on CIRI;

(ii) federal surplus property;

(iii) revoked federal reserves;

(iv) cancelled or revoked power site reserves, with the exception of the Bradley Lake reserve, reserves in the Lake Clark proposal, and the Chakachamna Lake reserve, if any are ever cancelled or revoked;

(v) public lands created by the reduction of federal installations as defined in Section 3(e) of ANCSA, except that, if such lands are within a Section 11(a)(1) withdrawal area, they shall be subject to prior Village Corporation selections properly filed prior to December 18, 1975; and

(vi) any other federal lands as agreed by the State the Region and the Secretary, including but not limited to lands withdrawn under Section 17(d)(1) of ANCSA and not withdrawn for any other purpose.

The Secretary shall notify CIRI after any above-described lands have been placed in the pool. With the concurrence of CIRI, the State and any other concurrence that may be required under paragraph I-C(1)(e) of this Document, the Secretary may, in his discretion, contribute to such pool properties of one or more of the foregoing categories from without the boundaries of the Cook Inlet Region, provided that properties described in subparagraphs (2)(a)(ii) and (2)(a)(iii) of this paragraph shall be removed from the pool if not selected by CIRI within 90 days after the Secretary notifies CIRI that such properties have been placed in the pool or valued by the Secretary in Subparagraph 2(e) of this document whichever date is later.

(b) The State shall be advised of all properties located within the exterior boundaries of Cook Inlet Region to be placed in the pool described in subparagraph 2(a) and may require Secretarial consultation with the Joint Land Use Planning Commission with respect to any specific piece of property so included, except those in subparagraph 2(a)(i) hereof, to determine whether private ownership of such property would be incompatible with reasonable land-management principles; provided, that the Secretary shall not be bound by any recommendation of the Joint Land Use Planning Commission. The Secretary shall notify the State, CIRI and the Commission of his decision in writing. The State may conclusively object to the inclusion in the pool of up to 1,500 of the acres, described in paragraph 2(a)(i) and 2(a)(iv), and additional lands within these two categories may be excluded from the pool upon replacement by the State with lands of equal values. Lands not included in the pool as result of the State's conclusive objection or which have been replaced by the

State under this subparagraph shall, immediately upon their exclusion or replacement from the pool thereby, be made available by the Secretary to the State for selection under the Alaska Statehood Act for a period of 90 days to the exclusion of all competing claims or parties.

(c) Unless specifically excepted by the Secretary, all tracts of land and improvements thereto in said pool shall be appraised by one or more appraisers mutually agreeable to CIRI and the Secretary.

(d) CIRI shall be entitled to select any tract of land from said pool in exchange for its out-of-Region selection rights, in part or in whole and *pro tanto*, in satisfaction thereof, in the following manner:

(1) any tract of land and improvements thereto specifically excepted from appraisal by the Secretary as described in subparagraph (c) of this paragraph may be exchanged acre for acre;

(2) any tract of land and improvements thereto valued by CIRI and the Secretary, after review of the appraisals, at less than $500 per acre at fair market value may be exchanged acre for acre;

(3) any tract of land and improvements thereto valued by CIRI and the Secretary, after review of the appraisals, at $500 per acre or more at fair market value shall be exchanged as follows:

(i) for each acre of land in said tract, each valued increment of $500 or proportion thereof shall be considered an acre of land or proportion thereof, in the same proportion, hereinafter called an "acre/equivalent"; and

(ii) any acre/equivalents may be exchanged for any acres of CIRI's out-of-region entitlement.

(e) Anything in the foregoing provisions notwithstanding, the selection pool created hereunder shall not include or affect lands within the Point Woronzof, Point Campbell, Goose Lake, and Campbell tracts, to which CIRI waives any claim which it may have had; and such lands shall be reserved by the United States for early conveyance to the State for park and recreation purposes as an integral part of the consideration for this Document.

(f) The Secretary shall utilize his best efforts to maximize the pool through the use of all available properties within the described categories in order to enhance the opportunity for the land exchanges described herein. If, by January 15, 1978, the Secretary and the General Services Administrator have not identified for the pool at least 138,240 acres, or acre/equivalents of lands within the exterior boundaries of Cook Inlet Region, the Secretary shall add to the pool an amount equal to the difference between 138,240 acres, or acre/equivalents, and the number of acres so identified from the following:

(1) with the consent of the State, lands located within the boundaries of the Region, withdrawn for the purposes of section 17(d)(1) of ANCSA, and valued by the Secretary and CIRI at $200 per acre, or more.

(2) with the consent of the State and CIRI, lands described in subparagraph I-C(3)(a) of this Document from without the exterior boundaries of Cook Inlet Region.

CIRI must select all lands in the pool located within the Region which are valued by the Secretary and CIRI at $200 per acre, or more, until CIRI has selected 138,240 acres, or acre/equivalents as described in subparagraph 3(i) of this paragraph.

(g) No later than 90 days following the conclusion of the period for creation of the pool as specified in subparagraph (1) hereof, the Secretary shall, with the assistance of the General Services Administrator, report to Congress on the status of the conveyances under paragraph C and the need for remedial legislation, if required.

(h) Conveyances under this subparagraph I–C(2) shall not be subject to the provisions of Section 22(1) of ANCSA.

II. Upon consent by the State of Alaska to be bound by the terms and conditions of this Document, which consent must be given, if at all, within 60 days of the commencement of the 1976 Session of the Alaska State Legislature, the State of Alaska shall convey to the United States for reconveyance to CIRI the lands described in Appendix C to this Document. Said lands shall be considered State lands until the United States accepts the State deed of title. Upon acceptance of a State deed of title, the Secretary shall withdraw the lands conveyed thereby, subject to valid existing rights, from all forms of appropriation under the public land laws, including the mining and mineral leasing laws, and from selection under the Alaska Statehood Act, as amended; such withdrawal to expire upon reconveyance of said lands to CIRI.

III. A. The Secretary shall convey to the State of Alaska all right, title and interest of the United States in and to all of the following lands:

(i) At least 22.8 townships and no more than 27.0 townships of lands from those presently withdrawn under section 17(d)(2) of the Alaska Native Claims Settlement Act in the Lake Iliamna area and within the Nushagak River and Koksetna drainages near lands heretofore selected by the State, the amount and identities of which shall be determined pursuant to Appendix D hereof; and

(ii) Twenty-six townships of lands in the Talkeetna Mountains, Kamishak Bay, and Tutna Lake areas, the identities of which are set forth in Appendix E hereof.

All lands granted to the State of Alaska pursuant to this subsection shall be regarded for all purposes as if conveyed to the State under and pursuant to section 6 of the Alaska Statehood Act; provided, however, that this grant of lands shall not constitute a charge against the total acreage to which the State is entitled under section 6 of the Alaska Statehood Act.

B. The Secretary shall convey to the State of Alaska, without consideration, all right, title and interest of the United States in and to all of that tract generally known as the Campbell Tract and more particularly identified in Appendix F hereof except for one compact unit of land which he determines, after consultation by the State of Alaska, is actually needed by the Bureau of Land Management for its present operations; provided, that in no event shall the unit of land so excepted exceed 1,000 acres in size. The land authorized to be conveyed pursuant to this paragraph shall be used for public parks and recreational purposes and other compatible public purposes in conformance with the generalized land use plan outlined in the Far North Bicentennial Park master development plan of September, 1974.

As a result of Section 12(a) of ANCSA, selections by Village corporations within the Kenai National Moose Range, or as a result of any section 14(h) (1), (2) or (5) of ANCSA selections within the Kenai National Moose Range or within the Secretary's 1973 Lake Clark proposal; and to the extent that CIRI's section 12(a) of ANCSA subsurface rights are reduced by virtue of exchanges resulting in the relinquishment of village selections in the Secretary's 1973 Lake Clark proposal or lands in paragraph VI CIRI shall take, in lieu thereof, an equal acreage from the following:

(a) The subsurface estate to oil and gas and coal in those lands described in Appendix B to the extent that such interests are not transferred under paragraph I-B of this Document, and are subject to the restrictions therein described; and

(b) Up to 46,080 acres of lands within section 11(a)(3) of ANCSA withdrawals in the Talkeetna Mountains; provided CIRI shall make all 12(b) selections in this withdrawal contiguous to existing 12(a) selections, first selecting all over-selected 12(a) lands in this withdrawal.

(c) If sufficient acreage to satisfy any such selections does not exist in those areas described in subparagraphs (1) and (2) of this paragraph, the Secretary shall make available lands outside the Region, in his discretion, for selection by CIRI.

Except as provided otherwise in this paragraph, the Secretary shall utilize the procedures of the Recreation and Public Purposes Act (44 Stat. 741), as amended, and regulations developed pursuant to that Act; provided, however, that the acreage limitation provided by section 1(b) of that Act, as amended by the Act of June 4, 1954 (68 Stat. 173), shall not apply to this conveyance, nor shall the lands conveyed pursuant to this paragraph be counted against that acreage limitation with respect to the State of Alaska or any subdivision thereof.

C. The Secretary shall make available for selection by the State, in its discretion, under section 6 of the Alaska Statehood Act, 124 townships of land to be selected from lands within the Talkeetna Mountains and Koksetna River areas as described in Appendix G.

IV. The lands and interests conveyed to CIRI under paragraphs I and II of this Document shall constitute CIRI's full entitlement under Section 12(c) of ANCSA, except that the mineral estate conveyed pursuant to subparagraph I-B of this Document shall constitute full entitlement of CIRI's surface and subsurface entitlement under Section 14(h)(8) of ANCSA. The lands which would comprise the difference in acreage between the lands actually conveyed under paragraphs I and II of this Document, and any final determination of what CIRI's acreage rights under Section 12(c) and 14(h)(8) of ANCSA would have been notwithstanding the provisions of this Document, shall be retained by the United States, and this Document shall create no right or interest in any other Regional Corporation or Village Corporation notwithstanding any provisions of ANCSA to the contrary.

To the extent that CIRI is or becomes entitled to subsurface rights:

V. The Secretary, CIRI, and the State shall seek legislation authorizing the Secretary to convey title to those selections by Native Corporations within the exterior boundaries of Power Site Classifica-

tion 443. February 13, 1958, provided however, that the patents conveying the above described lands shall contain the reservations required by Section 24 of the Federal Power Act, 16 U.S.C. 818.

VI. A. The State shall not select any of the following lands, so that such lands may be added to a management unit in the Lake Clark Area:

T 4 S R 23 W (N ½), S.M.
T 3 S R 20–24 W, S.M.
T 2 S R 24–25 W, S.M.
T 1 S R 24–26 W, S.M.
T 1 S R 27 W (sections 1–6, 8–15, 23–25), S.M.
T 1 S R 28 W (sections 1–6), S.M.
T 1 S R 29 W (sections 1–6), S.M.
T 1 N R 24–29 W, S.M.
T 2 N R 24–30 W, S.M.
T 3 N R 28–30 W and 31 W (E½), S.M.
T 4 N R 30 W and 31 W (E ½), S.M.

B. The Secretary, CIRI and the State recognize that there are nationally significant resources in the Lake Clark area. Management of this area should be flexible and recognize the scenic, recreational, and inspirational resources that should be preserved as well as State and local interests including subsistence and sport hunting.

VII. A. In fulfillment of its obligation to equitably reallocate acreage among villages pursuant to section 12(b) of the Act, CIRI shall allocate section 12(b) selections to the following areas:

1. Four and one-half townships in the Talkeetna Mountain withdrawal, provided that such selections shall be compact and contiguous to 12(a) selection in said withdrawals and 12(a) overselections shall be selected first;

2. All lands that will not otherwise be conveyed to the villages under 12(a) on the Iniskin Peninsula;

3. To the extent necessary to fulfill any remaining 12(b) entitlement lands within the following:

T 7 S, R 25 & 26 (Except Secs. 29–31) W, S.M.
T 6 S, R 25 W and 26 (E½) W, S.M.
T 5 S, R 25 W, S.M. (except sections 18, 19, and 30).
T 4 S, R 24 W (S½), S.M.
T 4 N, R 19 W, S.M.
T 4 N, R 20 W (E½) S.M.
T 4 N, R 18 W (W½) S.M.
T 3 N, R 17–20 W, S.M.
T 3 N, R 21 W (Secs. 31–36, and 25–30 in the Tuxedni River Watershed), S.M.
T 2 N, R 18–20 W, S.M.
T 2 N, R 21 W (North and East of the Tuxedni River and Bay), S.M.

B. By mutual consent of the Secretary and CIRI, Village Corporations within the Region may exchange selections or selection rights under section 12 of ANCSA for acres, or acre/equivalents contained in the pools established out in paragraph I-C(2)(a) of this document.

C. Up to two townships without the exterior boundaries of Cook Inlet Region, to be mutually agreed upon by the Secretary, CIRI, and

the State, shall be made available for 12(b) selection. To the extent acreage is allocated to a Native village pursuant to this subparagraph C, the village must have an equal amount of acreage, in section units, from 12(a) selections in the hereinafter described acres on an acre-for-acre basis outlined in this subparagraph in the out of Region townships identified in this paragraph:

T 4 S, R 23 W (N½) S.M.
T 3 S, R 20, 21, and 23 W, S.M.
T 2 S, R 19–21 W, S.M.
T 1 S, R 19–21 W, S.M.
T 1 N, R 20 W, S.M.

Provided that should the respective village not have any 12(a) selections in the above, 12(a) selection for the following shall be traded under the provision of this paragraph:

T 2 N, R 18–21 W, S.M.
T 3 N, R 18–20 W, S.M.
T 4 N, R 19–21 W, S.M.
T 5 N, R 19–20 W, S.M.

VIII. A. CIRI and the Secretary shall publicly support the establishment of a unit of the National Park System in the Lake Clark area including those lands withdrawn under section 17(d)(2) of ANCSA and those lands described in paragraph VI–A of this agreement. The Secretary and CIRI shall also agree to seek a provision in said legislation that would provide that before entering into any contract arrangement to provide new revenue producing services within the proposed Lake Clark Unit of the National Park System within the boundaries of the Cook Inlet Region, the Secretary shall offer to CIRI in cooperation with Village Corporations within the Region when appropriate, the right of first refusal to provide such services, the right to remain open for a period of ninety days. CIRI and the Secretary shall seek legislation that provides that the United States may acquire lands selected by Village Corporations within the boundaries of the Lake Clark unit established by that legislation, but only with the consent of the appropriate Village Corporation.

B. CIRI and the Secretary shall publicly support the establishment of the Caribou Hills, Swanson River, Mystery Creek, and Andy Simons Wilderness Areas within the Kenai National Moose Range. CIRI and the Secretary shall seek a provision in such legislation that would provide that before entering into any contract or agreement to provide new revenue producing services within the Kenai National Moose Range, the Secretary shall offer to CIRI in cooperation with Village Corporations within the Region when appropriate, the right of first refusal to provide such services, the right to remain open for a period of ninety days.

IX. Lands conveyed to CIRI and/or its Village and Group Corporations in accordance with this document, notwithstanding their source (whether federal or state), shall upon conveyance to CIRI and/or the appropriate Village or Group Corporation, be considered and treated as conveyances under and pursuant to ANCSA, except as may be expressly provided otherwise in this document.

X. As soon as practicable after any estate or interest in federal lands to be patented to CIRI in accordance with this document is identified,

CIRI and the Secretary shall review all leases, contracts, permits, rights-of-way and easements covering or concerning such estate or interest to determine whether the administration thereof may be waived by the Secretary, in his discretion, in accordance with the provisions of section 17(g) of ANCSA.

XI. Effective the date that State lands to be conveyed to the United States for CIRI are designated by CIRI pursuant of paragraph II of this document, the State, if so authorized, shall place all revenues received from such lands in escrow to be transferred to the Region when appropriate. The administration of all leases, contracts, permits, rights-of-way and easements prior to the conveyance of such lands to the United States shall be by the State, except that all decisions concerning modification, conversion, renewal or appraisal of such interests will be with the concurrence of the Region. Effective the date of conveyance of such lands from the State to the Secretary, the State shall waive in favor of CIRI administration of all leases, contracts, permits, rights-of-way and easements totalling embraced by such lands. The State shall give timely written notice of the change of ownership and administration to the holders of rights on such lands.

XII. The responsibilities of and benefits accruing to the Secretary, the State and CIRI under this document shall become binding only when such legislation as is necessary has been enacted. Upon passage of such legislation, CIRI and all plaintiffs/appellants shall, with the consent of the Secretary, dismiss their pending appeal in *Cook Inlet Region vs. Kleppe*, No. 75-2232. (9th Cir.) by executing and filing pursuant to Rule 42(b) of the Federal Rules of Appellate procedure an agreement that the proceeding may be dismissed.

XIII. A. For the purposes of this document, a township shall be considered 23,040 acres.

B. The words "land" and "lands" as used in this document shall not include properties owned by the State of Alaska under section 6(m) of the Alaska Statehood Act and the Submerged Lands Act.

Appendix A

T. 1 N., R 11 W S.M.

Secs. 1–4, 9–12, 16, W½S17—comprising approx. 6,080 acres, more or less

T. 2 N., R 11 W S.M.

Sec. 9, approx. 70 acres in the SW¼ lying south and west of the high water mark on the south and west bank of the Kasilof River.

Sec. 16, approx. 480 acres comprising all moose range lands in this section lying south and west of the high water mark on the south and west bank of the Kasilof River.

Sec. 21, all.

Sec. 22, approx. 130 acres comprising all moose range lands in this section lying south and west of the high water mark on the south and west bank of the Kasilof River.

Sec. 27, approx. 330 acres comprising all moose range lands in this section lying west of the high water mark on the west bank of the Kasilof River and those lands in this section lying south and west of the high water line on the south and west shore of Tustumena Lake.

Sec. 28, all.
Sec. 33, all.
Sec. 34, approx. 600 acres comprising all moose range lands in this section lying south and west of the high water line on the south shore and west shore of Tustemena Lake.
Sec. 35, approx. 290 acres comprising all moose range lands in this section lying south of the high water line on the south shore of Tustemena Lake.
Sec. 36, approx. 360 acres comprising all moose range lands in this section lying south of the high water line on the south shore of Tustemena Lake.
Comprising approximately 4,160 acres, more or less.

Appendix B

Appendix B–1

82,560 acres of the specified mineral estate to be selected from the following described lands:*

Priority

1—T. 8 N., R. 9 W.: Secs. 1–8; Sec. 9 excluding E/2 SE/4, NW/4 SE/4, SE/4 NE/4; Sec. 10 excluding SW/4, S/2 SE/4, NW/4 SE/4, S/2 NW/4, NW/4; Secs. 11–14; Sec. 16 W/2; Secs. 17–20; Sec. 21 excluding NE/4, E/2 NW/4, NE/4 SW/4, N/2 SE/4, SE/4 SE/4; Secs. 23–26; Sec. 27 excluding N/2, SW/4, W/2 SE/4; Sec. 28 excluding SE/4, E/2 SW/4, E/2 NE/4, SW/4 NE/4; Secs. 29–31; Sec. 32 excluding S/2 SE/4, NE/4 SE/4, Sec. 33 excluding S/2, NE/4, S/2 NW/4, NE/4 NW/4; Sec. 34 excluding W/2, W/2 NE/4; Secs. 35–36–comprising approx. 18,440 acres.

1—T. 8 N., R. 10 W.: Secs. 1; 12–14; 23–26; 32–36–comprising approx. 7,680 acres.

1—T. 7 N., R. 9 W.: Sec. 3, E/2; Sec. 5 excluding S/2, NE/4; Secs. 6; 7; 8 excluding E/2, E/2 SW/4, E/2 NW/4, NW/4 NW/4; Sec. 10 excluding W/2 SW/4, W/2 NW/4, NE/4 NW/4; Sec. 14 excluding NE/4; Sec. 15; Sec. 16 excluding NW/4, N/2 NE/4, SW/4 NE/4; Sec. 17 excluding NE/4 NE/4; Secs. 18–36–comprising approx. 16,560 acres.

1—T. 7 N., R 10 W.: Secs. 1–5; 7–25; Sec. 26 excluding W1/2 SW1/4; Sec. 27 excluding S1/2 N1/2; Sec. 28 excluding S1/2 NE1/4, SE1/4, E1/2 SW1/4; Secs. 29–32; Sec. 35 excluding W1/2, S36 comprising approx. 19,920 acres.

2—T. 6 N., R 10 W.: Sec. 1; Sec. 2 excluding W/2 NW/4; Sec. 4 excluding N/2, SE/4, E/2 SW/4; Sec. 5–8; Sec. 9 excluding N/2 NE/4; Sec. 12; 16–17; 20–21–comprising approx. 7,000 acres.

4—T. 7 N., R 11 W., Sec. 23–26; 35; 36–comprising approx. 3,840 acres.

3—T. 6 N., R 11 W., Sec. 1–2; 11–14–comprising approx. 3,840 acres.

3—T. 10 N., R 7 W., Sec. 19–21; 28 (N/2); 29–32–comprising approx. 1,800 acres.

*These lands total approximately 82,680 acres (2.58 townships). Any unselected portions of the above described lands shall be first priority selection for in-lieu selections from Appendix B–2 below.

APPENDIX B–2

Up to 138,240 acres (6.0 townships) of specified mineral in lieu estate to be selected from the following described lands by priority ranking and in the order listed.

Priority

2—T. 9 N., R 9 W.: Sec. 13; 23 excluding SE/4 SE/4; Sec. 24 excluding W/2 SE/4, SW/4; Sec. 25 excluding W/2 E/2, W/2; Sec. 26 excluding E/2 E/2; Sec. 27; Sec. 31 E/2; Sec. 32–35; Sec. 36 excluding W/2 NE/4, NW/4, and N/2 SW/4–comprising approx. 6,120 acres.

3—T. 9 N., R 8 W.: Sec. 1–5; 7–36–comprising approx. 22,400 acres.

2—T. 6 N., R 9 W.: Sec. 1–17; 20–29; 34–36–comprising approx. 19,200 acres.

3—T. 8 N., R 8 W.: All-comprising approx. 23,040 acres.

2—T. 4 N., R 10 W.: Sec. 9–10; 13–36–comprising approx. 16,640 acres.

2—T. 4 N., R 11 W.: Sec. 25; 36-comprising approx. 1,280 acres.

3—T. 1 N., R 11 W.: Sec. 17 (E/2); Sec. 21–28; Sec. 33–36 -comprising approx. 6,720 acres.

3—T. 3 N., R 11 W.: Sec. 1; 12–15; 22–27; 34–35–comprising approx. 8,320 acres.

3—T. 3 N., R 10 W.: Sec. 1–30-comprising approx. 19,200 acres.

3—T. 4 N., R 9 W.: Sec. 2 excluding SE/4; 3–10; 11 excluding E/2; Sec. 14 excluding E/2; 15–20; 21 excluding SE/4; 29–34–comprising approx. 12,480 acres.

APPENDIX C

If CIRI has on or before January 12, 1976 presented evidence satisfactory to the State that the villages of Kink, Chickaloon, Alexander Creek, Ninilchik and Salamatof have withdrawn selection applications for and relinquished all claims to land in the Lake Clark, Lake Kontrashibuna and Malchatna River areas, the State shall convey under paragraph II of this document to the United States for reconveyance to CIRI all of the state lands identified or to be identified in this Appendix C. All conveyances of lands made in accord with this document shall pass all of the State's right, title and interest in the lands, including the minerals therein, as if those conveyances were made pursuant to section 22(f) of the Alaska Native Claims Settlement Act, except that dedicated or platted section line easements and highway or other rights-of-way may be reserved to the State.

1. Acreage from each of the five pools identified in this paragraph in the amounts therein set forth. Out of each such pool, the identity of the required acreage shall be determined to the extent possible by mutual agreement of the State and CIRI. For so many of the required acres as have not been so determined by agreement in each pool within eighteen months following implementation of this document, those remaining required acres shall be identified by CIRI's selecting acreage in that remaining amount from an array of 1½ that many acres within the pool, said array to be identified to CIRI by the State.

A. *Point McKenzie.*—3,200 acres must be identified from state lands within the following areas:

T 15 N. R3 W through 5W, S.M.
T 14 N. R4 W through 5W, S.M.
T13 N, R4 W S.M. (North of Knik Arm)

B. *Knik-Willow Pool.*—4,480 acres must be identified from state-lands within the following areas:

T 16 N through 18 N. R 2W through 5W. S.M.

C. *Kashwitna Pool.*—38,400 acres must be identified from state-lands within the following areas:

T 21 N through 25N, R3 and 4W. S.M. (or other nearby lands).

D. *Chickaloon Pool.*—4,800 acres must be identified from state lands within the following areas:

T 19 N. R3 E through 5E, S.M.
T 20 N. R4 E through 7E, S.M.

E. *Kenai Pool.*—115,200 acres must be identified from state lands on the Kenai Peninsula.

Provided however that the State may with CIRI's concurrence supplant acreage otherwise to be identified from the Kenai pool in subparagraph E on an acre-for-acre basis with lands near Alexander Creek, Nimlchik or Salamatof. Supplanting lands near any one of these villages may not exceed in acreage that number of acres to which the State is obligated under paragraph 3 to provide in respect of each of these three villages.

2.(a) Thirteen and one-half townships of lands in the Beluga Area Townships listed in this paragraph. The identity of those lands shall be determined by CIRI within eighteen months following the implementaiton of this document by nomination of compact units no less than ¼ township in size lying along township lines, provided that where constrained by selection pool boundaries or water bodies they may be smaller: *Provided*, However that if Tyonek Corporation desires to trade the surface estate it holds in the Kenai National Moose Range for State surface lands within the vicinity of its village lands but within CIRI's selection pool, it may obtain up to one township of such lands. If Tyonek Corporation does trade for CIRI's selection pool lands, CIRI shall select an equivalent acreage of other surface estate from within its selection pool.

T. 16 N., R. 14 W., S.M.:
T. 16 N., R. 13 W., S.M.:
T. 16 N., R. 12 W., S.M., Secs. 7, 16, 17, 18, 19, 20, 21, 22, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36;
T. 16 N., R. 11 W., S.M., Secs. 20, 21, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36:
T. 15 N., R. 14 W., S.M.:
T. 15 N., R. 13 W., S.M.:
T. 15 N., R. 12 W., S.M.:
T. 15 N., R. 11 W., S.M.:
T. 15 N., R. 10 W., S.M., W½, excluding Sec. 1:
T. 14 N., R. 15 W., S.M.:
T. 14 N., R. 14 W., S.M.:
T. 14 N., R. 13 W., S.M., W½:
T. 14 N., R. 11 W., S.M.:

T. 14 N., R. 10 W., S.M., W½;
T. 13 N., R. 15 W., S.M.;
T. 13 N., R. 14 W., S.M.;
T. 13 N., R. 10 W., S.M., E½ excluding lands east of the west bank of the Beluga River;
T. 12 N., R. 15 W., S.M.;
T. 12 N., R. 14 W., S.M., excluding Secs. 23, 24, 25, 26, 29, 31, 32, 33, 36;
T. 12 N., R. 10 W., S.M.;
T. 11 N., R. 13 W., S.M., Secs. 12, 13 excluding W½SW¼; 24 NE/4 NE/4.
T. 11 N., R. 12 W., S.M., Secs. 18, 19 excluding SW¼, S½ SE/4; 20.

(b) Provided, However, that the following described lands shall *not* be available for CIRI's selection of *subsurface* estate:

Beluga

T. 13 N., R. 10 W., S.M., Secs. 11, E–½; 12, 13, 14, 22, 23, 24, 25, 26, 27, 34, 35, 36.
T. 12 N., R. 10 W., S.M., Secs. 2, 3, 4, 5, 8, 9, 10.

Nicolaick

T. 11 N., R. 12 W., S.M., Secs. 16, SW–¼; 17, SW–½; 18, SE–¼; 19, E–½, E–½ W–½; 20; 21, W–½; 28, W–½; 29, 30, 31, 32.

(c) The State shall provide a floating, public, 300 foot wide transportation easement from T. 13 N., R. 14 W., S.M. to the shore of Cook Inlet in T. 11 N., R. 12 W., S.M. Said easement to be determined upon the ground at such future time as a need exists and there are adequate field data available upon which the State may finally plan and locate the corridor.

3. Lands in an amount equal to ¼ of the acres to which each of the villages of Knik, Chickaloon, Alexander Creek, Ninilchik, and Salamatof are or would be entitled under ANCSA Sec. 12(a), under selection applications on file with the BLM as of July 18, 1975, in the Lake Clark, Lake Kartrashibuna and Mulchatna River areas. Each acre identified for conveyance by the State hereunder must be located within or near the 11(a)(1) withdrawal of the village to which the displaced ANCSA acreage to which that acre corresponds would otherwise have passed under ANCSA. The lands so identified in respect to displaced acres attributable to Alexander Creek and Salamatof shall be conveyed by the State if and only if the village to which the displaced acres are attributable retains its village eligibility status under ANCSA.

Appendix D

Lands in the Lake Iliamna Area and in the Nushagak River and Lake Clark Drainages

Paragraph 111(A)(1))

1. The Secretary shall convey to the State at least 22.8 townships and no more than 27.0 townships of land from those presently withdrawn under section 17(d)(2) of the Alaska Native Claims Settle-

ment Act in the Lake Iliamna area and within the Nushagak River or Lake Clark drainages near lands heretofore selected by the State.

II. The following townships shall be conveyed to the State as part of the minimum of 22.8 townships to be conveyed to the State from lands identified in paragraph I.

T 4N, R 36 W, S.M.
T 3N, R 36 W, S.M.
T 2N, R 36 W, S.M.
T 1N, R 36 W, S.M.
T 1S, R 37 and 38 W, S.M.
T 2S, R 37 and 38 W, S.M.
T 3S, R 37 and 38 W, S.M.
T 4S, R 37–39 W, S.M.
T 5S, R 40–42 W, S.M.
T 6S, R 40 W, S.M. (except sections 21–28, 33–36).
T 6S, R 41 and 42 W, S.M.
T 7S, R 42 W, S.M. (secs. 3–10, 15–18).

III. For each acre of valid village 12(a) selections relinquished in the Lake Clark, Lake Kontrash/buna and Mulchatna River areas pursuant to paragraph II of the document to which this forms an Appendix, the Secretary shall convey to the State, on an acre for acre basis, lands from within the 17(d)(2) area described in Paragraph I up to a total of 4.2 townships.

IV. To the extent that lands to be conveyed to the State pursuant to Paragraphs II and III above are not specifically identified in this Appendix, they shall be identified by mutual consent of the State and the Secretary from lands described in Paragraph I within 60 days of the date the State becomes bound to this document, or within 60 days of the date that any entitlement vests in the State pursuant to Paragraph III of this Appendix, whichever shall come first.

V. All lands granted to the State of Alaska pursuant to this Appendix D shall be regarded for all purposes as if conveyed to the State under and pursuant to section 6 of the Alaska Statehood Act: *Provided*, however, that this grant of lands shall not constitute a charge against the total acreage to which the State is entitled under section 6(b) of the Alaska Statehood Act.

Appendix E

Lands in the Talkeetna Mountains, Kamishak Bay and Tetna Lakes Areas

(Paragraph III(A)(2))

The Secretary shall convey to the State the following described lands, subject to valid village selections under section 12(a), but not 12(b), of ANCSA.

T 22N, R 2W, S.M.
T 23N, R 2W, S.M.
T 24N, R 1 and 2 W, S.M.
T 26N, R 1 and 2 W, S.M.
T 27N, R 2W, S.M.

T 29N, R 2W, S.M.
T 7S, R 26W, S.M. secs. 29–31
T 7S, R 27–29 W, S.M.
T 8S, R 26–29 W, S.M.
T 9S, R 26–30W, S.M.
T 10S, R 28–30 W, S.M.
T 11S, R 28–30 W, S.M.
T 4N, R 33–35 W, S.M.
T 3N, R 34 and 35 W, S.M.
T 2N, R 34 and 35 W, S.M.

Appendix F

Far North Bicentennial Park

(Paragraph III B)

T 12 N, R 3 W, S.M.:
Section 1.
Section 2.
Section 3 (except SW ¼).
Section 10 (except S ½).
Section 11 (except S ½).
Section 12.

T 13 N, R 3 W, S.M.:
Section 34 (except N ½ NE ¼ NE ¼)
Section 35 (except NW ¼ NW ¼, N ½ SW ¼ NE ¼ NE ¼)
Section 36 (except NE ¼ SE ¼ SE ¼ NE ¼)

Appendix G

Talkeetna Mountains—Koksetna River Lands

(Paragraph III(c))

The Secretary is authorized and directed to make available for selection by the State, in its discretion, under section 6 of the Alaska Statehood Act, 12.4 townships of land to be selected from lands within the Talkeetna Mountains and Koksetna River areas as described below.
T 4N, R 31 W, S.M. (W ½).
T 4N, R 32 W, S.M.
T 3N, R 31 W, S.M. (W ½).
T 3N, R 32 and 33 W, S.M.
T 2N, R 31–33 W, S.M.

Subject to valid village 12(a) and 12(b) selections under ANCSA, the following lands located south of the Susitna River:
T 29N, R 11E—1 W, S.M.
T 30N, R 11E—2 W, S.M.
T 31N, R 9E—1 W, S.M.

Edwardsen v. *Morton*

During the Subcommittee hearings H.R. 6644, the Committee was made aware of an issue which may have long-range significance for the Native land claims settlement contained in the Settlement Act.

This issue concerns the decision in the case of *Edwardsen* v. *Morton* (369 F. Supp. 1359), 1973. The Settlement Act had as its principal purpose the provision of a "fair and just settlement of all claims by Natives and Native groups of Alaska, based on aboriginal land claims." (Section 2(a)). On April 19, 1973, Judge Oliver Gasch, the District Court for the District of Columbia, in ruling on a motion by the defendants for summary judgment in *Edwardsen*, held if the Native plaintiffs of the Arctic Slope of Alaska "were in fact disturbed in their use and occupancy by trespassers, i.e., by any parties coming onto the land except for those entering under Congressional authorization, then there accrued a cause of action in tort against the trespassers and a cause of action for trespass and breach of fiduciary duty against Federal officers authorizing such trespass." 369 F. Supp. at 1378–1379. The Court continued, "It is not at all clear that the Settlement Act bars litigation of plaintiffs' claims relating to the alleged trespasses even though they are linked to claims of aboriginal title. * * * In any event, a construction of (the Act's provisions) to bar claims relating to pre-Settlement Act trespasses would appear to create constitutional infirmities in the Act which are better avoided if a constitutionally sound construction does not violate clearly expressed legislative intent." 369 F. Supp. at 1379. Accordingly, Judge Gasch refused to hold "that a later Act of Congress [Settlement Act] could wipe out all claims against any person * * * simply because Congress has decided to extinguish aboriginal title." Id.

Pursuant to a stipulation entered into by the parties in August of 1974, and approved by the Court in October, 1974, further proceedings in the *Edwardsen* case were held in abeyance pending an investigation by the Department of the Interior of the extent of the trespass claims involved. That investigation has been completed and the United States, acting as trustee for the Natives involved, has filed suit in the United States District Court for the District of Alaska against several corporate and individual defendants, including the State of Alaska, for damages arising from such trespasses.

It is not clear just what impact a final decision upholding the *Edwardsen* ruling might have on the Settlement Act and the orderly development of the State of Alaska. As a consequence, the Committee determined not to deal with that critical issue in H.R. 6644. This decision should not be interpreted to mean that the Committee finds the ruling to be either correct or incorrect with respect to the congressional intent in barring or not barring such claims. At this point, that is a judicial matter.

However, the Committee intends to follow the course of this litigation and the impact that it has or may have on the Settlement Act and the development of lands and resources in Alaska. Should circumstances warrant, the Committee then will consider the matter further.

Inflationary Impact Statement

The Federal expenditures and costs authorized and required by this legislation are relatively small and would have no significant inflationary impact.

Cost and Budget Act Compliance

The bill authorizes appropriations of $25,000 in section 12(g) and $1,600,000 in section 14.

In addition, extension of the Land Use Planning Commission by section 7 for three years will mean an extension of the appropriation authorized by section 17(a)(9)(B) of the Settlement Act which is for $1,500,000 for each fiscal year.

Indirect costs can be attributed to the payment of interest on the escrow account authorized by section 2; the payment of interest on the Alaska Native Fund authorized by section 5; and loss of tax revenue from the exemption contained in section 13. It would be impossible to ascertain such indirect costs at this time, but they would be relatively minimal.

Oversight Statement

The development and consideration of the bill, H.R. 6644, was in large part due to the oversight activities of the Subcommittee on Indian Affairs. The Subcommittee held oversight field hearings on the Settlement Act in Alaska in the 93rd Congress and again in August of 1975.

Committee Recommendation

The Committee on Interior and Insular Affairs, by a voice vote, recommends enactment of H.R. 6644, as amended.

Changes in Existing Law

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

Act of December 18, 1971 (85 Stat. 688)

* * * * * * *

Sec. 7. (a) For purposes of this Act, the State of Alaska shall be divided by the Secretary within one year after the date of enactment of this Act in twelve geographic regions, with each region composed as far as practicable of Natives having a common heritage and sharing common interests. In the absence of good cause shown to the contrary, such regions shall approximate the areas covered by operations of the following existing Native associations: . . . . Any dispute over the boundaries of a region or regions shall be resolved by a board of arbitrators consisting of one person selected by each of the Native associations involved, and an additional one or two persons, whichever is needed to make an odd number of arbitrators, such additional person or persons to be selected by the arbitrators selected by the Native associations involved [.] *: Provided, That the boundary between the southeastern and Chugach regions shall be the 144st meridian; Provided further, That, with respect to any lands conveyed to it in the vicinity of Icy Bay, the Regional Corporation for the Chugach region shall accord to the Natives enrolled to the village of Yakutat the same rights and privileges to use such lands for purposes traditional thereon, including, but not limited to, subsistence hunting, fishing, and gathering, as it accords to its own shareholders, and shall take no unreason-*

able or arbitrary action relative to such lands for the primary purpose, and having the effect, of impairing or curtailing such rights and privileges.

* * * * * * *

(b) . . .

SEC. 16. (a) * * *

(b) During a period of three years from the date of enactment of this Act, each Village Corporation for the villages listed in subsection (a) shall select, in accordance with rules established by the Secretary, an area equal to 23,040 acres, which must include the township or townships in which all or part of the Native village is located, plus, to the extent necessary, withdrawn lands from the townships that are contiguous to or corner on such township. All selections shall be contiguous and in reasonably compact tracts, except as separated by bodies of water, and shall conform as nearly as practicable to the United States Land Survey System. *Such allocation as the Regional Corporation for the southeastern Alaska region shall receive under section 14(h)(8) shall be selected and conveyed from lands not selected by such Village Corporations that were withdrawn by subsection (a) of this section, except lands on Admiralty Island in the Angoon withdrawal area and, without the consent of the Governor of the State of Alaska or his delegate, lands in the Saxman and Yakutat withdrawal areas.*

(c) * * *

(d) The lands enclosing and surrounding the village of Klukwan which were withdrawn by subsection (a) of this section are hereby withdrawn to the same extent and for the same purposes as provided by said subsection (a) for a period of one year from the date of enactment of this subsection, during which period the Village Corporation for the village of Klukwan shall select an area equal to twenty-three thousand forty acres in accordance with the provisions of subsection (b) of this section and such Corporation and the shareholders thereof shall otherwise participate fully in the benefits provided by this Act to the same extent as they would have participated had they not elected to acquire title to their former reserve as provided by section 19(b) of this Act: Provided, That nothing in this subsection shall affect the existing entitlement of any Regional Corporation to lands pursuant to section 14(h)(8) of this Act: Provided further, That the foregoing provisions of this subsection shall not become effective unless and until the Village Corporation for the village of Klukwan shall quitclaim to Chilkat Indian Village, organized under the provisions of the Act of June 18, 1934 (48 Stat. 984), as amended by the Act of May 1, 1936 (49 Stat. 1250); all its right, title, and interest in the lands of the reservation defined in and vested by the Act of September 2, 1957 (71 Stat. 596), which lands are hereby conveyed and confirmed to said Chilkat Indian Village in fee simple absolute, free of trust and all restrictions upon alienation, encumbrance, or otherwise: Provided further, That the United States and the Village Corporation for the Village of Klukwan shall also quitclaim to said Chilkat Indian Village any right or interest they may have in and to income derived from the reservation lands defined in

and vested by the Act of September 2, 1957 (71 Stat. 597) after the date of enactment of this Act and prior to the date of enactment of this subsection.

* * * * * * *

SEC. 17. (a) * * *

[(10) On or before May 30, 1976, the Planning Commission shall submit its final report to the President of the United States, the Congress, and the Governor and Legislature of the State with respect to its planning and other activities under this Act, together with its recomendations for programs or other actions which it determines should be taken or carried out by the United States and the State. The Commission shall cease to exist effective December 31, 1976.]

(10) The Planning Commission shall submit, in accordance with this paragraph, comprehensive reports to the President of the United States, the Congress, and the Governor and Legislature of the State with respect to its planning and other activities under this Act, together with its recommendations for programs or other actions which it determines should be implemented or taken by the United States and the State. An interim comprehensive report covering the above matter shall be so submitted on or before May 30, 1976. A final and comprehensive report covering the above matter shall be so submitted on or before May 30, 1979. The Commission shall cease to exist effective June 30, 1979.

* * * * * * *

SEC. 21 (a) * * *

(f) Until January 1, 1992, stock of any Regional Corporation organized pursuant to section 7, including the right to receive distributions under subsection 7(j), and stock of any Village Corporation organizedpursuant to section 8 shall not be includable in the gross estate of a decedent under sections 2031 and 2033 of the Internal Revenue Code.

* * * * * * *

SEC. 22. (a) * * *

[(f) The Secretary, the Secretary of Defense, and the Secretary of Agriculture are authorized to exchange lands or interests therein in Alaska under their jurisdiction for lands or interests therein of the Village Corporations, Regional Corporations, individuals, or the State for purpose of effecting land consolidations or to facilitate the management or development of the land. Exchanges shall be on the basis of equal value, and either party to the exchange may pay or accept cash in order to equalize the value of the properties exchanged.]

(f) the Secretary, the Secretary of Defense, the Secretary of Agriculture, and the State of Alaska are authorized to exchange lands or interests therein, including native selection rights, with the Group Corporations, Village Corporations, Regional Corporations, the Native Corporations for the Cities of Juneau, Sitka, Kodiak and Kenai, other municipalities and corporations or individuals, the State (acting free of the restrictions of section 6(i) of the Alaska Statehood Act), or any federal agency for the purpose of effecting land consolidations or to facilitate the mangament or development of the land, or for

other public purposes. Exchanges shall be on the basis of equal value, and either party to the exchange may pay or accept cash in order to equalize the value of the property exchanged: Provided, That when the parties agree to an exchange and the Secretary determines it is in the public interest, such exchanges may be made for other than equal value.

SEC. 28. Any corporation organized pursuant to this Act shall be exempt from the provisions of the Investment Company Act of 1940 (54 Stat. 789), the Securities Act of 1933 (48 Stat. 74) and the Securities Exchange Act of 1934 (48 Stat. 881), as amended, through December 31, 1991. Nothing in this section, however, shall be construed to mean that any such corporation shall or shall not, after such date, be subject to the provisions of such Acts. Any such corporation which, but for this section, would be subject to the provisions of the Securities Exchange Act of 1934 shall transmit to its stockholders each year a report containing substantially all information required to be included in an annual report to stockholders by a corporation which is subject to the provisions of such Act.

* * * * * * *

SEC. 29. (a) The payments and grants authorized under this Act constitute compensation for the extinguishment of claims to land, and shall not be deemed to substitute for any governmental programs otherwise available to the Native people of Alaska as citizens of the United States and the State of Alaska.

"(b) Notwithstanding section 5(a) and any other provision of the Food Stamp Act of 1964, in determining the eligibility of any household to participate in the food stamp program, any compensation, remuneration, revenue, or other benefit received by any member of such household under the Settlement Act shall be disregarded.

* * * * * * *

SEC. 30. (a) Notwithstanding any provision of this Act, any corporation created pursuant to section 7(d), 8(a), 14(h)(2), or 14(h)(3) within any of the twelve regions of Alaska, as established by section 7(a), may at any time, merge or consolidate, pursuant to the applicable provisions of the laws of the State of Alaska, with any other of such corporation or corporations created within or for the same region. Any corporations resulting from mergers or consolidations further may merge or consolidate with other such merged or consolidated corporations within the same region or with other of the corporations created in said region pursuant to section 7(d), 8(a), 14(h)(2), or 14(h)(3).

"(b) Such mergers or consolidations shall be on such terms and conditions as are approved by vote of the shareholders of the corporations participating therein, including, where appropriate, terms providing for the issuance of additional shares of Regional Corporation stock to persons already owning such stock, and may take place pursuant to votes of shareholders held either before or after the enactment of this section: Provided, That the rights accorded under Alaska law to dis-

senting shareholders in a merger or consolidation may not be exercised in any merger or consolidation pursuant to this Act effected prior to December 19, 1991. Upon the effectiveness of any such mergers or consolidations the corporations resulting therefrom and the shareholders thereof shall succeed and be entitled to all the rights, privileges, and benefits of this Act, including but not limited to the receipt of lands and moneys and exemptions from various forms of Federal, State, and local taxation, and shall be subject to all the restrictions and obligations of this Act as are applicable to the corporations and shareholders which participated in said mergers or consolidations or as would have been applicable if the mergers or consolidations and transfers of rights and titles thereto had not taken place: Provided, That where a village Corporation organized pursuant to section 19(b) of this Act merges or consolidates with the Regional Corporation of the region in which such village is located or with another Village Corporation of that region, no provision of such merger or consolidation shall be construed as increasing or otherwise changing regional enrollments for purposes of distribution of the Alaska Native Fund; land selection eligibility; or revenue sharing pursuant to sections 6(c), 7(m), 12(b), 14(h)(8), and 7(i) of this Act.

"(c) Notwithstanding the provisions of section 7 (j) or (m), in any merger or consolidation in which the class of stockholders of a Regional Corporation who are not residents of any of the villages in the region are entitled under Alaska law to vote as a class, the terms of the merger or consolidation may provide for the alteration or elimination of the right of said class to receive dividends pursuant to said section 7 (j) or (m). In the event that such dividend right is not expressly altered or eliminated by the terms of the merger or consolidations, such class of stockholders shall continue to receive such dividends pursuant to section 7 (j) or (m) as would have been applicable if the merger or consolidation had not taken place and all Village Corporations within the affected region continued to exist separately.

"(d) Notwithstanding any other provision of this section or of any other law, no corporation referred to in this section may merge or consolidate with any other such corporations unless that corporation's shareholders have approved such merger or consolidation.

"(e) The plan of merger or consolidation shall provide that the right of any affected Village Corporation pursuant to section 14(f) to withhold consent to mineral exploration, development, or removal within the boundaries of the Native village shall be conveyed, as part of the merger or consolidation, to a separate entity composed of the Native residents of such Native village.".

Departmental Reports

The Committee received two reports from the Department of Interior; one dated May 12, 1975 which addressed H.R. 6641, as originally introduced, and one dated December 10, 1975, which addressed the bill as reported by the Subcommittee. In addition, the Securities and Exchange Commission, and the Department of Agriculture commented on the legislation. The letters follow:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 12, 1975.

HON. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the views of this Department on H.R. 6644, a bill "To provide, under or by amendment of the Alaska Native Claims Settlement Act, for the late enrollment of certain Natives, the establishment of an escrow account for the proceeds of certain lands, the treatment of certain payments and grants, and the consolidation of existing regional corporations, and for other purposes."

We recommend enactment of H.R. 6644, if amended as suggested herein.

Section 101 of the bill authorizes the Secretary of Interior to review all applications filed within one year after the date of enactment of the bill by persons who missed the March 30, 1973, deadline for filing applications for enrollment as Alaska Natives. The deadline was established by regulations issued pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688). Under section 101, the Secretary would enroll those Alaska Natives who meet the qualifications for enrollment set out in the Alaska Native Claims Settlement Act except for their failure to meet the March 30, 1973 deadline. The section also provides for the issuance of regional corporation stock to those Alaska Natives enrolled pursuant to this provision as well as the distribution of payments to those Natives enrolled pursuant to this section that are equal to payments made to those Natives originally enrolled. It further states that Natives enrolled pursuant to this provision shall not affect the eligibility status of land entitlement of eligible village corporations, regional corporations, the four named cities, or groups as defined by the Alaska Native Claims Settlement Act.

We strongly support the reopening of the rolls of Alaska Natives eligible to receive benefits under the Alaska Native Claims Settlement Act (ANCSA), and to allow otherwise eligible Alaska Natives who missed the enrollment deadline to enroll. Although we make no apology for the manner in which we handled in a very brief period of time one of the largest enrollment campaigns ever conducted, we recognize that not every eligible Alaska Native learned about the benefits of ANCSA in time to meet the filing deadline of March 30, 1973. Our estimate is that as many as 2,000 otherwise eligible persons had not applied for enrollment by that date. Some of these cases involve substantial equities. For example, some are minors whose guardians neglected to enroll them; others did not receive the enrollment forms or were under misapprehensions concerning their ancestry.

We are also in agreement with the provisions of section 101 that would not allow the addition of these late enrollees to result in changing the status of those villages and groups whose eligibility status was determined pursuant to the figures that were established by the roll certified by the Secretary of the Interior on December 18, 1973. That roll would, under the provision of section 101, establish the proportionate shares of villages, groups, and regional corporations as to their

land entitlements and the new enrollment authorized by this amendment would not affect the proportionate share, nor would it be used to disqualify a group because it had more than 24 Natives enrolled as a result of the addition of late fiers. We question the need for the inclusion of the four named cities, Sitka, Juneau, Kenai, or Kodiak, in this section because their land entitlement is not determined by the number of Natives enrolled to each of these locations. Therefore, we recommend that all reference to the four named cities be omitted.

Section 101 refers to the enrollment deadline of March 30, 1973, as having been established by section 5(a) of ANSCA. That deadline was established by regulation (25 C.F.R. 43h *et seq.*). We recommend that the reference to the authority of section 5(a) of ANCSA be deleted.

Section 102(a) of the bill provides the Secretary of the Interior with authority from and after the date of enactment, to deposit receipts derived from contracts, leases, permits, rights-of-way or easements pertaining to lands or resources of lands withdrawn for Native selection pursuant to ANCSA in an escrow account until such time as disposition is made of the land and then to transfer them to the person or entity receiving title to the land. Upon the expiration of the selection rights of the Natives for whose benefit such lands were withdrawn or reserved, the proceeds from lands withdrawn but not selected shall be deposited in the U.S. Treasury or paid out as required under law. Section 102(b) provides the authority needed to pay interest on the funds held in the escrow account and to allow the Secretary of the Interior to reinvest them to obtain a higher return pursuant to the Act of June 24, 1938 (25 U.S.C. 162(a)). However, the section specifically prohibits the creation of a trust relationship with regard to the funds authorized for investment and reinvestment by the section.

There presently exists no authority in the Secretary of the Interior to pay over to the Alaska Natives the proceeds derived from actions which he must take with regard to lands that are withdrawn for Native selection but which are not yet conveyed. The Alaska Natives have indicated to the Department the need for this authority, and we support the establishment of an escrow account.

While we support the creation of the escrow account, we cannot support the provisions of section 102(b), which would authorize interest payments on such account and give authority to the Secretary to reinvest the proceeds in the account. There are many other similar accounts administered by the Federal Government on which no interest is paid and in which there is no reinvestment authority. In our judgment, section 102(b) would establish an unfavorable precedent.

Section 102(a) contains two separate time periods for paying out the funds in the escrow account and we recommend that they be conformed. The proceeds derived from the activities on lands withdrawn for Native selection, which are deposited in the escrow account, are to be paid to the selecting corporation or individual at the time of conveyance. However, receipts in the escrow account from lands withdrawn but not selected shall be paid to non-Natives "upon the expiration of the selection or election rights of the individuals for whose benefit such lands were withdrawn or reserved." We advise that payments to non-Natives from the escrow account be made at the time of con-

veyance to the Natives, thereby making the two payments operative at the same time.

While subsection 102(a) establishes an escrow account, and addresses the issue of the disposition of receipts from activities by the Secretary on lands withdrawn for Native selection but not yet conveyed, it does not clarify certain accounting procedures related to these activities. A system is necessary to accurately relate revenues to specific tracts producing the revenues and tracts selected. To clarify these accounting procedures we recommend the addition of subsections (c) and (d) to section 102.

Subsection 102(c) relates to public easements reserved in any conveyance pursuant to subsection 17(b)(3) of ANCSA. Many of the actions arising from these reserved easements may not be performed until years after the conveyance has been issued. Although the reservation has been made in the conveyance, subsection 102(c) would insure that proceeds derived from these subsection 17(b)(3) reserved easements at any time after conveyance has been issued, shall be paid to the grantee of such conveyance in accordance with such grantee's proportionate share:

"(c) Any and all proceeds from public easements reserved pursuant to subsection 17(b)(3) of the Alaska Native Claims Settlement Act (85 Stat. 688), from or after the date of enactment of this Act, shall be paid to the grantee of such conveyance in accordance with such grantee's proportionate share."

Without the certainty provided by subsection 102(c), it would be administratively prohibitive to distribute the income to the owners of the land covered by the easement reservation.

Subsection 102(d) will clarify accounting procedures under ANCSA. so that although most contracts, leases, permits, rights-of-way and easements may be paid on lands withdrawn for Native selection on an annual basis, payment to be made at the begining of the year, if a conveyance should be made in the middle of the year, the grantee would receive proportional income from such contracts, leases, permits, rights-of-way, and easements:

"(d) Any and all income on all earnings from contracts, leases, permits, rights-of-way, or easements issued for the surface or minerals covered under the conveyance prior to the issuance of such conveyance under the Alaska Native Claims Settlement Act (85 Stat. 688), shall be paid to the grantee of such conveyance on that portion of the lands conveyed pro-rated from the date of enactment of this Act."

Subsection 102(a) refers to "any and all proceeds derived" from certain less than-fee interests which may be derived from Native lands prior to conveyance. On certain types of applications, the applicant must pay for a Federal processing fee and for the cost of the environmental impact statement. The language of subsection 102(a) should be amended in order to exempt these two payments from the application of this provision.

Section 102 should contain a provision parallel to that of section 26 of ANCSA. We recommend that a new subsection (e) be added:

"(e) To the extent that there is a conflict between the provisions of subsection (2) of this section and any other Federal laws applicable to Alaska, the provisions of subsection (a) of this section shall govern.

Any payment made to any corporation or any individual under the authority of subsection (a) of this section shall not be subject to any prior obligation under sections 9(d) and 9(f) of the Alaska Native Claims Settlement Act (85 Stat. 688)."

Section 103 of the bill would add a new section 28 to ANCSA. Section 28 would exempt until December 31, 1976, any corporation organized pursuant to ANCSA from the provisions of the Investment Company Act of 1940 (54 Stat. 789, as amended). We defer in our views concerning the provisions of section 103 of H.R. 6644 to those of the Securities and Exchange Commission who, we understand, will shortly submit its report to the Congress.

Section 104 of this bill would add a new section 29 to ANCSA. New subsection 29(a) would provide that payments and grants made under ANCSA are compensation for extinguishment of claims to land by Alaska Natives and are not to be deemed to substitute for any governmental program that would otherwise be available to Alaska Natives as citizens of the United States and of the State of Alaska.

New subsection 29(b) of ANCSA would specifically exempt any benefits an Alaska Native might receive pursuant to ANCSA from consideration in determining the eligibility of any Native household to participate in the food stamp program under the Food Stamp Act of 1964.

With regard to the provisions of section 104 of this legislation, we have not yet formulated a position and, therefore, we are not able to offer comments at this time. This provision is currently under examination within the Administration.

Section 105 of the legislation provides that the funds deposited in the Alaska Native Fund under ANCSA are to be considered funds held in trust by the United States Government for Indian tribes pursuant to the provisions of Section 1 of the Act of February 12, 1929 (25 U.S.C. 161(a)).

We object to the classification of these funds as trust funds. Section 2(b) of ANCSA specifically declares that the settlement of aboriginal claims by Alaska Natives should be accomplished ". . . in conformity with the real economic and social needs of Natives . . . without creating a reservation system or lengthy wardship or trusteeship . . ."

Under section 106, except as specifically provided in H.R. 6644, the provisions of ANCSA are fully applicable to this legislation and this bill shall not alter or amend any such provisions. We have no objection to this section.

Section 107 of the bill authorizes mergers or consolidations among regional and village corporations within the same region and would apply only to corporations authorized pursuant to sections 7 and 8 of the Alaska Native Claims Settlement Act. All mergers would be subject to the applicable provisions of the laws of the State of Alaska, as would any resulting corporations. Section 107 would also allow the subsequent merger or consolidation of merged corporation with each other, provided they are in the same region. The mergers authorized by corporation shareholders either before or after passage of this bill would be covered and could take place under the provisions of the bill. This provision would allow a merger that was approved by corporation stockholders with the merger vote contingent upon enactment of legis-

lation of the type set out in this bill to be completed upon enactment of the bill. This provision is necessary because of ongoing efforts to merge village corporations, particularly in the NANA Region of Alaska.

The section gives to the merged corporation, upon the effectiveness of the merger, all rights and benefits that ANCSA confers upon the individual corporations and also makes them subject to all the restrictions and obligations that were made applicable to the individual corporations by the Alaska Native Claims Settlement Act. The section specifically states that transfers of rights and titles made pursuant to a merger would not affect the tax exemptions granted by the Alaska Native Claims Settlement Act.

Subsection (c) deals specifically with the rights of enrolled Alaska Natives who are shareholders of a regional corporation but are not residents of any of the villages in that region. Section 7(m) of the Alaska Native Claims Settlement Act gives those Alaska Natives a right to receive dividends that represent their pro-rata share of the dividends paid to village corporations when the regional corporations make distributions to the village corporations under secton 7(j) of the Settlement Act. This provision would allow the elimination of this right to dividends if it is part of a merger or consolidation plan but only if those non-village residents can, under the laws of the State of Alaska, vote as a class on the question of the merger or consolidation which contains the elimination provision. However, after any merger in which the special dividend rights were not affected and the at-large shareholders did not vote as a class on the merger, distributions to the at-large shareholders would continue as if the merger had not taken place.

Subsection (d) specifically provides that notwithstanding the provisions of this bill or any other law, no merger or consolidation of corporations can take place without the approval of the shareholders of the corporations being merged or consolidated.

Since enactment of the Settlement Act, many of the village corporations have found that they are too small to effectively manage their resources and responsibilities under the provisions of ANCSA. In the remote areas of Alaska, there is a shortage of trained managers who can run the many corporations, a demand that would be lessened by the bringing together of several of the smaller villages into one management unit. It would also be easier for the regional corporations to deal with one or two village corporations rather than ten or fifteen. The multiplicity of villages also dissipates the funds that are distributed to the villages, funds that can be used for improvements for Native people rather than being paid out to large numbers of professional managers necessitated by the large number of villages.

This section is needed to allow mergers or consolidations to take place because the Alaska Native Claims Settlement Act prohibits for a period of twenty years from the date of its enactment the alienation of corporation shares issued pursuant to the Act except under certain limited circumstances. There is no exception concerning alienation for the purpose of merger or consolidation. H.R. 6641 will modify this restriction on alienation sufficiently to authorize mergers and consolidations.

In our judgment this section offers sufficient safeguards and offers

the Alaska Natives the opportunity to bring about mergers and consolidations that will better enable them to manage the benefits they are receiving under ANCSA. We recommend its enactment.

Section 108 extends the life of the Joint Federal-State Land Use Planning Commission, created by section 17(a)(10) of ANCSA, to June 30, 1979. We have no objection to the provisions of this section.

Section 109 amends section 7(c) of the Settlement Act. The new amendment directs the Secretary of the Interior to create a 13th region for those Alaska Natives who are non-residents of Alaska and gives them authority to establish a regional corporation. Section 110 of the bill creates a new section 30 of ANCSA which sets out the procedures to be followed by the Secretary of the Interior in carrying out his responsibilities in creating the thirteenth region. These responsibilities include: (1) enrolling therein those Alaska Natives who wish to participate; (2) how the corporation for the thirteenth region shall be created and how its interim Board of Directors is to be selected; (3) the instructions for submission of the articles of incorporation for the thirteenth regional corporation; (4) provisions covering the distributions made from the Alaska Native Fund and the impact of the thirteenth region on that fund; (5) authority to make adjustment in the distributions from the Alaska Native Fund when the thirteenth region enrollment is completed; and (6) the authority of regional corporations to cancel, without any liability, the stock of those of their members who shift their enrollement to the thirteenth region.

While we support the enactment of sections 109 and 110, we recommend that section 110 be amended as suggested herein.

It appears that little purpose would be served in prohibiting a potential enrollee in the 13th region from notifying the Secretary of his decision before the end of 60 days after enactment of this section. A Native should not be punished for immediately notifying the Department of his decision. Therefore, we recommend that the phrase "not less than 60 days nor" be deleted from the new section 30(a) of ANCSA.

In carrying out the provision of ANCSA, some of the time constraints under which the Department has had to operate have been extremely limited. We recommend that the time provided for each Alaska Native to inform the Secretary of his intention be extended.

Further, some Natives attempted to amend their enrollment applications before December 1, 1973, to indicate a change in whether they wished to be enrolled in the 13th region. Section 110 provides in the new section 30(a) of ANCSA that any Native who does not file a change with the Secretary within the 60 to 90 day period must return to the status in his "original enrollment application." It would seem more appropriate to place such Native under the "election last filed," and we recommend that this language be substituted instead.

New section 30(a) requires the Secretary to prepare and certify a "final roll" within 120 days which will supersede the temporary roll authorized by "this subsection." Subsection 30(a) does not authorize a temporary roll. This could result in a construction in subsection 30(a) of reference to the roll of December 18, 1973. New subsection 30(f) of ANSCA created by section 110 of this bill authorizes a temporary roll, and if subsection 30(a) refers to this temporary roll then the word "subsection" should be changed to "section."

The fourth provision of new section 30(a) directs the Secretary to prepare and certify a final roll under that section within 120 days of the section's enactment. New section 30(a) would require a second enrollment campaign in addition to that authorized by section 101 of this legislation. In our judgment, the enrollment requirement upon the Secretary of 120 days after enactment under new section 30(a), running simultaneously with the one year enrollment requirement under section 101, would impose a prohibitive administrative burden. We recommend that the words "Within one hundred and twenty days of the enactment of this section" in the fourth provision of new section 30(a) be amended to read "Within one year of the enactment of this section."

The final provision of new section 30(a) allows the Secretary to incorporate in the final roll authorized here "other changes made by the Secretary in accordance with the Act." The changes presently being made in the roll are not literally "in accordance with the Act" but are changes made on earlier principles of law which have been construed as applicable to the Settlement Act. Therefore, this last phrase should be deleted. The presence of this last sentence raises the possibility of the construction that the temporary roll referred to earlier will be the roll of December 18, 1973. It cannot be expected that all corrections in that roll will be made in time for the applicability of this section.

New Section 30(c) of ANCSA provides the instructions for the submission of the articles of incorporation for the 13th region. The time periods specified are so short for each of the proposed steps that carrying them out will be administratively prohibitive. We recommend these time periods be extended.

New section 30(d) requires that articles of incorporation for the 13th region be approved in accordance with subsection 7(c) of the Settlement Act. Section 109 of this bill amended that section and the amended language is inapplicable to the last sentence of section 30(d). The reference intended is probably to that of section 7(c) of ANCSA.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

STANLEY B. DOREMUS,
Acting Assistant Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., December 10, 1975.

HON. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This Department would like to offer its views on H.R. 6644, as reported by the Subcommittee on Indian Affairs of the House Committee on Interior and Insular Affairs on September 30, 1975. H.R. 6644 is a bill "To provide, under or by amendment of

the Alaska Native Claims Settlement Act, for the later enrollment of certain Natives, the establishment of an escrow account for the proceeds of certain lands, the treatment of certain payments and grants, and the consolidation of existing regional corporations, and for other purposes."

We recommend enactment of H.R. 6644 as reported by the Subcommittee on Indian Affairs if amended as suggested herein.

SECTION 1

Section 1(a) of the bill authorizes the Secretary of the Interior to review all applications filed within one year after the date of enactment of the bill by persons who missed the March 30, 1973, deadline for filing applications for enrollment as Alaska Natives. The Secretary would then enroll those Alaska Natives who meet the qualifications for enrollment set out in the Alaska Native Claims Settlement Act (ANCSA) except for their failure to meet the March 30, 1973, deadline.

Further, section 1(a) sets forth the procedures for making all the changes required by the amendments to the roll resulting from the new enrollments thereunder, specifically with regard to the issuance of stock in the proper Native corporation to any Native newly enrolled and to future distributions under the Settlement Act. Section 1(a) also provides that no land entitlements of regions, villages or groups, or eligibility of villages or groups, will be affected by the changes in enrollment thereunder. We support the provisions of section 1(a).

Under section 1(b), the Secretary is authorized to poll Natives enrolled to villages or groups not recognized as village corporations under ANCSA, and which are located within the boundaries of former reserves where village corporations elected surface and subsurface rights under section 19(b) of ANCSA. The Secretary may allow these Natives to enroll to a section 19(b) village corporation, or enroll on an at-large basis to the region in which the village or group is located.

On St. Lawrence Island, where the village corporations of Gambell and Savoonga elected to take title to their former reserves, approximately 20 Natives enrolled to places on the Island itself other than to Gambell or Savoonga. Therefore, they are not members of either village, and are not entitled to benefits received by these village corporations under ANCSA. These individuals are currently shareholders at-large in their regional corporation. Under section 1(b) they would be given the opportunity to enroll in one of the villages, or remain shareholders at-large in their region. The language of section 1(b) is general and would apply to other situations similar to St. Lawrence Island.

While we support the provisions of section 1(b), we would note that St. Lawrence Island is not a village or group, but a place. This section would better serve its purpose if the words "Native villages or Native groups" on page 3, line 6, were deleted, and the word "places" substituted instead, and the words "village or group is" on line 13, page 3, were deleted, and the words "those places are" substituted. Otherwise, the bill may not resolve the problem of the major category of people it was designed to help—the Natives enrolled to places on St. Lawrence Island.

Section 1(b) is unclear as to whether the Secretary may allow these individuals to enroll to the section 19(b) villages at their option, or at the option of the villages concerned. We construe section 1(b) to mean the former.

Further, we would note that the individuals eligible to elect under section 1(b) are currently enrolled at-large to their region and, if they do not elect to enroll to a section 19(b) village corporation, they will remain at-large shareholders. Accordingly, we recommend that the words "to enroll" on page 3, line 12 be deleted and the words "remain enrolled" be substituted in their place.

We would also note that section 1(b) may impact the Regional entitlements under sections 12(b) and 14(h)(8) of ANCSA by changing the Regional population factors.

While we support the provisions of sections 1 (a) and (b), we cannot support the provisions of section 1(c) and recommend that it be deleted.

Section 1(c) directs the Secretary to redetermine the places of residence, as of April 1, 1970, for those Natives who, in the enrollment process, designated their domicile as a place that was later determined ineligible as a Native village or group on grounds which include an insufficient number of residents. Such redetermined residence shall be such Native's place of residence as of April 1, 1970, for all purposes under ANCSA.

We oppose the provisions of section 1(c) for a number of reasons: First, the Natives affected by section 1(c) theoretically designated their residence properly, and this provision would authorize forum shopping to give these Natives a chance to circumvent the consequences of their original choice. These Natives would not only qualify for additional benefits, but would dilute the benefits of those Natives enrolled in those villages or groups to which these section 1(c) Natives would redetermine their residence. In fact, under this interpretation of section 1(c), those Natives who redetermine their residence would receive a greater per capita distribution than those Natives who enrolled properly in the beginning.

Second, section 1(c) discriminates among Natives who are at-large shareholders in a region. Many Natives designated their place of residence on their enrollment application at a location that did not qualify as a Native village under the provisions of ANCSA. Many of the locations failed to qualify as villages because of an insufficient number of enrollees, while other locations failed to qualify for other reasons. All Natives whose place of enrollment failed to qualify as a village were enrolled as at-large members of their respective Regional Corporation. Therefore, those at-large shareholders who enrolled to a location determined ineligible as a village because of an insufficient number of residents get a second chance, while those at-large shareholders who enrolled to a location found ineligible as a village on other grounds, do not. This result is inequitable.

Third, many of the villages determined ineligible by the Department have appealed the determination, so the issue of eligibility is presently in litigation. Further, the Department has not yet determined the eligibility of any Native groups. Therefore, section 1(c) is premature and speculative.

Finally, section 1(c) is unclear as to whether the section applies only to those Natives enrolled to villages found ineligible because of insufficient number of residents, or to villages also found ineligible on other grounds.

SECTION 2

Under section 2(a), the Secretary is given the authority to deposit proceeds received by the Federal government which are derived from contracts, leases, permits, rights-of-way or easements pertaining to lands or resources of lands withdrawn for Native selection pursuant to ANSCA in an escrow account until such time as disposition is made of the land and then to transfer such proceeds to the person or entity receiving title to the land. This provision would be effective from either the date of enactment of H.R. 6644 or January 1, 1976, whichever occurs first.

There presently exists no authority in the Secretary of the Interior to pay over to the Alaska Natives the proceeds derived from actions which he must take with regard to lands that are withdrawn for Native selection but which are not yet conveyed. The Alaska Natives have indicated to the Department the need for this authority, and we support the establishment of an escrow account.

While we support the provisions of section 2(a), we recommend a number of clarifying amendments.

First, on page 5, line 2, we recommend that the words "or January 1, 1976, whichever occurs first," be deleted. To administer the escrow account it will be necessary to develop a system which will accurately relate revenues to the tracts producing the revenues and the tracts selected. If H.R. 6644 is enacted after January 1, 1976, the escrow account will be partially retroactive, and the accounting procedures will present administrative and legal difficulties. Further, the monies derived between January 1, 1976 and the date of enactment of H.R. 6644 may have already been distributed to either the State of Alaska under the Mineral Leasing Act, or to the Alaska Native Fund, and thus expended.

Second, the refernce to section 14(g) of ANSCA on page 5, line 2, is incorrect. These leases, licenses, permits or rights-of-way were not issued pursuant to section 14(g), but, rather, were outstanding at the time of conveyance to the Native Corporation and were reserved by section 14(g). Thus, we recommend that the following language be inserted between the words "to" and "section" on line 4, page 5: "appropriate law and which would be reserved in any conveyance in accordance with."

Third, section 2(a) refers to "any and all proceeds derived" from certain less-than-fee interests which may be derived from Native lands prior to conveyance. On certain types of applications, the applicant must pay for a Federal processing fee and for the cost of the environmental impact statement. We recommend that the language of section 2(a) be amended to exempt these two payments from the application of this provision.

Finally, section 2(a) contains two separate time periods for paying out the funds in the escrow account and we recommend that they be conformed. The proceeds derived from the activities on lands with-

drawn for Native selection, which are deposited in the escrow account, are to be paid to the selecting corporations or individual at the time of conveyance. However, receipts in the escrow account from lands withdrawn but not selected shall be paid to non-Natives "upon the expiration of the selection or election rights of the individuals for whose benefit such lands were withdrawn or reserved." We advise that payments to non-Natives from the escrow account be made at the time of conveyance to the Natives, or when the Secretary determines that these lands will not be conveyed to the selecting corporation. Otherwise, the monies in the escrow account may be tied up for a considerable length of time.

While we support the creation of the escrow account, we cannot support the provisions of section 2(b), which would authorize interest payments on such account and give authority to the Secretary to reinvest the proceeds in the account. There are many other similar accounts administered by the Federal Government on which no interest is paid and in which there is no reinvestment authority. In our judgment, section 2(b) would establish an unfavorable precedent.

Section 2(c) relates to public easements reserved pursuant to section 17(b)(3) of ANSCA. Section 2(c) would insure that proceeds derived from these section 17(b)(3) reserved easements at any time after conveyance has been issued, shall be paid to the grantee of such conveyance in accordance with such grantee's proportionate share. Without the certainty provided by section 2(c), it would be administratively prohibitive to distribute the income to the owners of land covered by the easement reservation.

However, we would note the potential ambiguity with regard to the interpretation of the word "proceeds," in section 2(c). It is unclear whether the term applies to fees derived from permits issued by the U.S. for hauling timber and minerals over these reserved easements, or to the receipts from the sale of the items hauled. Accordingly, we recommend substituting the words "rental and use fees" for the word "proceeds" in section 2(c), line 18, page 6.

Further, we recommend that the words "paid by commercial users for" be inserted right after the term "rental and use fees" on line 18, page 6. It should be recognized that most easements will produce little or no income. However, commercial uses will generate income, which should be made available to the Native owners.

We would also recommend that the period on line 22, page 6, be changed to a comma, and the following words be added: "to be computed in the same manner as fractional interests are computed pursuant to section 14(g) of the Settlement Act."

Finally, we would suggest an additional sentence after our amended sentence on line 22, page 6. This sentence reads as follows: "As used in this subsection rental and use fees shall not include road maintenance or other cost-recovery charges levied to a non-Federal user." These costs would not be in the nature of proceeds, but go to the actual cost of maintaining the easement by the United States.

These recommendations are the result of discussions between this Department and the United States Forest Service.

Section 2(d) provides that to the extent there is a conflict between the provisions of section 2 and any other Federal laws applicable to

Alaska, the provisions of section 2 will govern. Further, any payment made to any corporation or individual under section 2(a) of H.R. 6644 shall not be subject to any prior obligations under sections 9(d) or (f) of ANCSA. This Department recommended the addition of a provision to section 2 parallel to that of section 26 of ANCSA in our report on H.R. 6644 as introduced, dated May 12, 1975. This recommendation has become section 2(d) of H.R. 6644 as reported by the Subcommittee on Indian Affairs and we support its enactment.

SECTION 3

Section 3 amends ANCSA to exempt, until December 31, 1991, corporations organized thereunder from the provisions of the Investment Company Act of 1940, the Securities Act of 1933, and the Securities and Exchange Commission Act of 1934. We defer in our views to the Securities and Exchange Commission.

SECTION 4

Section 4(a) amends ANCSA to provide that payments and grants thereunder shall not be deemed to substitute for any governmental programs otherwise available to the Natives as citizens of the United States and of Alaska.

Section 4(b) further amends ANCSA to exempt benefits received by any member of a household under the Settlement Act from being used in a determination of that individual's eligibility to participate in the Food Stamp Act.

The provisions of section 4 are currently under examination within the Administration.

SECTION 5

Section 5 relates to a December 28, 1973, decision by the Comptroller General that the Alaska Native Fund will not bear interest or be eligible for reinvestment by the Secretary pursuant to sections 161a and 162a of title 25 of the United States Code. The actual language of section 5 states that for purposes of 25 U.S.C. 161a and 162a the Alaska Native Fund shall, pending distributions under Section 6(c) of ANCSA, "be considered to consist of funds held in trust by the Government of the United States for the benefit of Indian tribes." Section 5 further provides that nothing in the section will be construed to create or terminate any trust relationship between the U.S. and any corporation or individual entitled to receive benefits under ANCSA.

We object to the classification of these funds as trust funds. Section 2(b) of ANCSA specifically declares that the settlement of aboriginal claims by Alaska Natives should be accomplished ". . . in conformity with the real economic and social needs of natives . . . without creating a reservation system or lengthy wardship or trusteeship . . ." Although the proviso in section 6(c), on page 14, lines 12–13, there is no definition as to what constitutes "within the boundaries of the Native village." We would note that the majority of Native villages are not municipalities and, therefore, do not have boundaries created by State statute as do other Alaskan communities.

SECTION 7

We have no objection to the provisions of section 7, which would extend the life of the Joint Federal-State Land Use Planning Commission for Alaska to June 30, 1979.

SECTION 8

Section 8 amends section 7(c) of the Settlement Act. The new amendment directs the Secretary of the Interior to create a 13th Region for those Alaska Natives who are non-residents of Alaska and gives them authority to establish a regional corporation.

With the exception of the savings clause proviso of new section 7(c)(9), we recommend that section 8 be deleted. Pursuant to an order entered October 6, 1975, by the United States District Court for the District of Columbia, the 13th Region has already been established and the 13th Regional Corporation is in the process of being formed. The manner of formation of the corporation is similar to that prescribed by section 8, with the exception of the election of eligible non-resident Alaska Natives to be in or out of the 13th Region. The manner of this election has also been prescribed by the October 6, court order.

Effective October 1, 1975, this Department established the 13th Region. On October 11, by computer effort, 4,534 persons were transferred from the twelve Alaska Regions into the 13th Region according to their last written request made on or before August 15, 1973. Pursuant to the October 6 court order the Department has invited eight bona fide organizations presently known by the Secretary to represent non-resident Alaska Natives to submit the names of no more than five consenting nominees for election as incorporators and members of the interim board of directors of the 13th Regional Corporation. The Department prepared ballots with the names of 24 such nominees and on November 10 sent one ballot to each of the 3,100 adult 13th Region enrollees with instructions to vote for not more than 5 nominees and to return the ballot by December 1. The results will be tabulated by December 10 and the nominees receiving the highest number of votes shall be recognized as incorporators for the purpose of preparing and submitting the proposed articles of incorporation and bylaws for the 13th Regional Corporation. Those so recognized will also constitute the initial board of directors to serve until the first meeting of shareholders or until their successors are elected and qualify.

The proposed articles of incorporation and bylaws are to be approved by early January 1976; the first meeting of the shareholders and election of the board of directors is to be held by early February, 1976; and by February 15, 1976, the corporation is to be paid its share of monies in the Alaska Native Fund. Pursuant to the October 6 order, when the 13th Regional Corporation makes its first distribution, all adult non-resident Native enrollees, whether or not presently enrolled in the 13th Region, shall be given a final opportunity to elect their preference for enrollment in the 13th Region or one of the other 12 Regions.

Accordingly, we recommend that section 8 be deleted as it is unnecessary, but that the savings clause of amended section 7(c)(9) of ANCSA under section 8 of this bill be retained.

SECTION 9

Under section 19(b) of ANCSA, seven Native villages elected to acquire title to the surface and subsurface estate of former reserves in lieu of receiving both benefits as a Native village under ANCSA, and regional corporation benefits.

Section 9 concerns one of the seven villages, Klukwan, Inc., which voted to retain the former reserve, the Klukwan Reserve or Reservation. Chilkat Indian Village, the organization of Natives who actually reside on the reserve, had negotiated a mineral lease in 1970, and it has been alleged in pending litigation that valid existing rights under this lease may survive the enactment of ANCSA and the extinguishment of the reserve itself. While all the residents of the reserve are members of Chilkat Indian Village, many of those non-residents who enrolled there and are stockholders in Klukwan, Inc., are not members of Chilkat. The mineral deposit is the major element of value in the lands of the former reserve and if the Chilkat position is correct the majority of Kluwan's shareholders would not receive the benefit of either the lease or the Settlement Act.

Section 9 would amend section 16 of ANCSA to allow the shareholders of Klukwan, Inc., to participate in the Act's benefits as if they had not elected to acquire title to their former reserve, including the selection of land, providing that Klukwan, Inc., will quit claim all its rights, title and interest in the reserve to Chilkat Indian Village.

We support the provision of section 9. However, while section 9 would take care of the reserve land and rights thereto, it may not extend to $100,000 in lease rentals already derived from the lease after the passage of the Settlement Act. In our judgment, the United States and Klukwan, Inc., should also quit claim to Chilkat all rights to rentals and other benefits paid by the lessee prior to the passage of this bill. Further, Chilkat should also relinquish any claims it might have against Klukwan, Inc., the United States or the lessee, for misprayment.

We would note that section 9 may affect the Regions under section 12(c) of ANCSA by decreasing the acreage factor by 23,033, and under section 14(h)(8) by changing the Regional population factor.

SECTION 10

Section 10 would amend section 16(b) of ANCSA. Pursuant to amended section 16(b), the allocations received by the Southeastern Alaska Regional Corporation under section 14(h)(8) of ANCSA would be selected and conveyed from lands withdrawn by section 16(a) of ANCSA that were not selected by the village corporations, with the exception of lands on Admiralty Island in the Angoon withdrawal area, and lands in the Yakutat and Saxman withdrawal areas without the consent of the Governor of Alaska.

With the exception of some small amounts of public domain land around the Village of Klukwan, section 10 would permit the Sealaska Regional Corporation to make land selections pursuant to section 14(h)(8) of ANCSA primarily within the Tongass National Forest. Accordingly, this Department defers to the views of the U.S. Forest Service, as they are the agency with jurisdiction over those lands.

We would point out, however, that section 10 of H.R. 6644 as reported by the Subcommittee on Indian Affairs could have an impact upon section 12(c) of ANCSA. Part of the section 12(c) formula concerns allocations among the Regional Corporations based upon lands selected under section 16 of the Settlement Act. Since section 10 of H.R. 6644 amends section 16(b) rather than section 14(h)(8) of ANCSA, section 10 could be interpreted to effect the formula, and thus the entitlements of the other Regions, under section 12(c) of the Settlement Act.

SECTION 11

Section 11 of H.R. 6644 would amend section 7(a) of ANCSA to fix the boundary between the Southeastern and Chugach Regions at the 141st meridian provided that with regard to lands conveyed to it in the vicinity of Icy Bay, the Chugach Regional Corporation shall accord to Natives enrolled to the village of Yakutat the same rights and privileges for traditional purposes on such lands as it would accord its own shareholders.

The effect of this amendment would be to settle the boundary dispute between the two Regions, and within the settled boundary allow the Natives of the village of Yakutat, which is in the Southeastern Alaska Region, to use the lands around Icy Bay, in the Chugach Region, for subsistence purposes.

Although the boundary question is presently in arbitration in accordance with section 7(a) of ANCSA, if this amendment is acceptable to the two Regions involved, then we would support it. However, we would note that we construe this provision to be self-executing, with the rights and obligations therefrom flowing between the two Regions, and conferring no obligation upon this Department to write this language into patents issued pursuant to ANCSA.

Further, we would suggest that the term "in the vicinity of Icy Bay" on lines 14–15, page 30, be more precisely defined.

SECTION 12

Section 12 of H.R. 6644 as reported by the Subcommittee on Indian Affairs contains provisions to resolve the land selection problem of the Cook Inlet Region, Inc. For several months now representatives of the Department, the State of Alaska, and Cook Inlet have engaged in extensive discussions about possible solutions to this problem. The parties to these discussions have not yet arrived at a mutually acceptable settlement. As of this writing, the final details are still being negotiated.

SECTION 13

Under section 13, a new subsection (f) would be added to section 21 of ANCSA. This new section 21(f) would provide that until December 18, 1991, the stock of any regional corporation organized pursuant to section 7 of ANCSA, including the right to receive distributions under section 7(j), and the stock of any Village Corporation organized pursuant to section 8 of ANCSA, shall not be includable in the gross estate of a decedent under sections 2031 and 2033 of the Internal Revenue Code.

We have no objection to the provisions of section 13. However, we would note that section 7(h)(3) of ANCSA prohibits alienation of stock until January 1, 1992, not December 18, 1991. Accordingly, we recommend that the date "December 18, 1991," on line 4, page 33, be deleted, and the date "January 1, 1992" be substituted in its place.

SECTION 14

Section 14(a) would provide a one-time payment of $250,000 to each of the corporations organized pursuant to section 14(h)(3) of ANCSA. Although the members of these four corporations (Kenai, Sitka, Juneau and Kodiak) are st ckholders in their respective regional corporations, these corporat.ons are not themselves recipients of funds under ANCSA. These corporations, however, are incurring expenses in organizing and operating themselves, making land selections and in engaging in necessary planning.

Section 14(b) provides for payments of $100,000 each to six of the seven villages (excluding Klukwan, Inc.) who chose to retain former reserves under section 19(b) of ANCSA. These villages chose title to former reserves in lieu of the benefits accorded a village under ANCSA and, as such, are not eligible to select other land or receive a distribution of regional corporation funds. Further, the members thereof are not shareholders in their respective regional corporations.

Under section 14(c), the funds provided under 14 (a) and (b) are to be used only for planning and development, and for other purposes for which these corporations were organized under ANCSA.

Section 14(d) authorizes $1,600,00 in fiscal year 1976 to implement section 14.

We believe there is no basis for increasing the total amount of the Alaska Native Claims Settlement Act by $1.6 million in addition to the $962,500 million already provided. Any funds provided for these 10 corporations should be authorized from the present Alaska Native Fund.

SECTION 15

Section 15 of H.R. 6641 would direct the Secretary of the Interior to convey to the Koniag Regional Corporation the subsurface estate of certain lands selected by such corporation located within the Aniakchak Caldera National Monument. Further, notwithstanding the inclusion of the surface estate of these lands in any national monument or other national land system referred to in section 17(d)(2) of ANCSA, Koniag, Inc., may use the surface estate as is reasonably necessary to mine the subsurface, subject to regulations by the Secretary to protect the surface.

This provision would legislate an agreement between this Department and Koniag, Inc., concerning the lands within the area proposed by this Department for establishment as the Aniakchak Caldera National Monument in the National Park System under section 17(d)(2) of ANCSA. The Department had agreed to recommend to the Congress, at the time the Aniakchak proposal was being considered, that Koniag, Inc., be permitted to make specific subsurface selections within the Monument.

We believe, however, that a Congressional decision regarding the lands available for selection within the Monument be made at the same time Congress considers the establishment of the Monument. In that way Congress would have before it all of the relevant information concerning the resource values in the area and it would be in the best position to make a judgment on the matter. Further, we believe that public hearings on the amendment should be held. We continue to believe that the better course would be to consider all aspects of each D–2 proposal together, rather than in piecemeal fashion. However, should the Committee decide to go forward with the Koning amendment at this time, we have no objection to the substance of the amendment in section 15 of H.R. 6644 as reported by the Subcommittee on Indian Affairs.

Time has not permitted securing advice from the Office of Management and Budget as to the relationship of this report to the program of the President.

Sincerely yours,

KENT FRIZZELL,
Acting Secretary of the Interior.

SECURITIES AND EXCHANGE COMMISSION,
Washington, D.C.

HON. LLOYD MEEDS,
Chairman, Subcommittee on Indian Affairs, House Committee on Interior and Insular Affairs, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: It has come to our attention that your Committee is now considering H.R. 6644,[1] a bill to amend the Alaska Native Claims Settlement Act of 1971.[2] The staff of the Commission has recently conferred with representatives of the Department of the Interior and the Office of Management and Budget, and, as a result of that conference, we wish to offer comments with respect to two sections of the proposed bill, Sections 103 and 107, which involve the securities laws, the Investment Company Act of 1940 ("1940 Act") in particular.

Section 103 would add a new provision to the Settlement Act giving the corporations organized pursuant thereto ("ANCSA Corporations") a temporary exemption from the 1940 Act until December 31, 1976. In introducing this bill to the House, Congressman Young indicated that without such an exemption, certain ANCSA Corporations investing some of their funds "in commercial bank time deposits or certificates of deposit" might "risk being classified as investment companies." He farther indicated that such an exemption would "provide necessary breathing room to the SEC and the Native corporations to permit resolution of long-range problems."[3]

As I indicated in my letter to you of February 4, 1975, commenting upon an identical provision in H.R. 12355,[4] I believe it would be unwise to exempt the ANCSA Corporations from all provisions of the 1940 Act. The Commission's position was then, and continues to be,

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[1] 94th Cong., 1st Sess. (1975), 121 Cong. Rec. H–3500 (daily ed., May 1, 1975).
[2] 85 Stat. 688.
[3] *Supra* n. 1, at 3500, 3507.
[4] 93rd Cong., 2nd Sess. (1974); 120 Cong. Rec. H–299 (daily ed., January 29, 1974).

that certain provisions of the Act should be applied to ANCSA Corporations falling within the 1940 Act's definition of investment company in order to protect the substantial pools of liquid capital which these companies hold in trust for the benefit of numerous unsophisticated Alaska native shareholders.

ANCSA Corporations are not restricted by the Settlement Act, the securities laws, or Alaska law to investing in bank time deposits or certificates of deposit; and, in fact, it is our understanding that certain of them are investing in other types of securities. In any event, the application of the 1940 Act to a corporation investing in certificates of deposit and other securities of a relatively non-speculative character is more than a technical complication. Numerous so-called money market funds registered under the 1940 Act voluntarily restrict their investments to certificates of deposit, government securities, and like investments; and certain of the protections afforded shareholders of such funds by the 1940 Act would be appropriate for an ANCSA Corporation with similar voluntary investment restrictions.

As you are probably aware, in accordance with my earlier letter to you, the Commission acted promptly last year to exempt the ANCSA Corporations from all but the most essential provisions of the 1940 Act by adopting temporary Rule 6c-2(T).[5] The Commission has received a number of comments on the proposed rule, and, having analyzed these, the Commission's staff has recently submitted a revised version of the proposed rule to the Commission. The Commission intends promptly to consider the staff recommendations and either to adopt a permanent exemptive rule or ask for further public comments on a revised proposal. As presently proposed by the staff, Rule 6c-2 would add the proxy, reporting and record-keeping requirements of the Act to the group of provisions from which ANCSA Corporations registering under the rule would not be exempt. It should be emphasized that both the temporary rule and the proposed permanent rule affect only those ANCSA Corporations which choose to register with the Commission pursuant to Section 8(a) of the 1940 Act.

We should also point out that, if the Congress exempts the ANCSA Corporations from the 1940 Act, a number of the companies would continue to be subject to the Securities Exchange Act of 1934 ("Exchange Act") as companies having 500 or more shareholders and more than $1,000,000 in assets. Such companies would have to comply with the registration, reporting, and proxy solicitation provisions of the Exchange Act. We believe that these provisions provide significant protections to the shareholders of the ANCSA Corporations and that such shareholders should not be given any less protection under the Exchange Act than Congress has given to shareholders of other, more conventional corporations. However, we believe it would be most unfortunate if the ANCSA Corporations were exempted during the time they are investment companies from a statute specifically designed to regulate investment companies and be subject only to the requirements of a statute which is designed basically to inform the Commission and the investing public as to securities of publicly traded companies.

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[5] Rule 6c-2(T) exempts ANCSA Corporations registering pursuant to Section 8(a) of the Act from all provisions of the 1940 Act except Sections 9, 17, 36, and 37 (Investment Company Act Release No. 8251, February 26, 1974, attached).

Section 107 of the bill would authorize the ANCSA Corporations to merge or consolidate under Alaska law. First, assuming that Section 103 is not adopted, we do not think this provision standing alone would exempt merger transactions from the Commission's jurisdiction under Section 17 of the 1940 Act, which relates to the transactions between affiliates.

Second, if the bill were changed to exempt such mergers from the 1940 Act, we do not feel that such a change would serve the interests of ANCSA shareholders. Any mergers of ANCSA Corporations which constitute transactions of affiliated persons or companies within the meaning of Section 17 should remain subject, in our view, to the standards of fairness imposed by that section. Commission review of these mergers is especially important because of the difficulty of ascertaining the value of ANCSA Corporation assets for purposes of an exchange of shares or an acquisition of assets.

We have gained some familiarity recently with at least one proposed merger involving ANCSA Corporations, that proposed by the NANA Regional Corporation and a number of its village corporations. As we understand it, that merger would involve the exchange of rights now vested in natives belonging to the various corporations. Such vested rights, although difficult to value at this time, would presumptively differ from one corporation to another; yet, subsequent to the exchange, the affected natives would all have equal rights. We are troubled that such a shift in vested rights among investors who now have the protections of the 1940 Act might, if the proposed bill were adopted, take place without any consideration of its fairness. Our view in this regard is buttressed by our understanding that there is no provision of Alaska Corporation law which provides protections comparable to those afforded by Section 17.

Thank you for the opportunity of commenting on H.R. 6644. We trust that our comments will be of assistance to you and we stand ready to provide you with whatever further assistance you may desire.

Sincerely,

RAY GARRETT, JR., *Chairman.*

Enclosure.

INVESTMENT COMPANY ACT OF 1940

Release No. 8251/February 26, 1974

NOTICE OF ADOPTION OF TEMPORARY RULE 6C-2(T) AND OF PROPOSAL TO ADOPT RULE 6C-2, BOTH UNDER THE INVESTMENT COMPANY ACT OF 1940 CONDITIONALLY EXEMPTING CORPORATIONS ORGANIZED PURSUANT TO THE ALASKA NATIVE CLAIMS SETTLEMENT ACT FROM ALL PROVISIONS OF THE INVESTMENT COMPANY ACT OF 1940 EXCEPT SECTIONS 8(A), 9, 17, 36, AND 37. (FILE NO. 87-514)

Notice is hereby given that the Securities and Exchange Commission hereby adopts temporary Rule 6c-2(T) and proposes to adopt Rule 6c-2, both under the Investment Company Act of 1940 ("Act") to exempt from all provisions of the Act except Sections 8(a), 9, 17, 36, and 37 corporations organized pursuant to the Alaska Native Claims Settlement Act of 1971 [1] ("Settlement Act") (such corporations here-

[1] 85 Stat. 688.

inafter referred to collectively as "ANCSA Corporations"). Such exemptions are conditioned upon adherence by the ANCSA Corporations to reporting and other requirements specified herein. Rule 6c-2(T) is effective as of December 18, 1971, the date of the enactment of the Settlement Act; it will be superseded at such time as the Commission takes action on proposed Rule 6c-2, which, as proposed, would provide the same relief on a permanent basis as is now provided by Rule 6c-2(T).

The ANCSA Corporations have been (or will soon be) organized to hold and administer the extensive land grants, mineral rights, cash, and mineral revenues intended by the Government of the United States to recompense Alaska's native Indian Aleut and Eskimo population ("Alaska Natives") for lands within the State of Alaska. In accordance with this statutory purpose, the ANCSA Corporations will be owned and managed exclusively by Alaska Natives, who will be given shares of stock in the ANCSA Corporations. The ANCSA Corporations consist of twelve "Regional Corporations," representing the Alaska Natives residing in twelve geographical districts designated by the Department of the Interior, and more than 200 "Village Corporations" within these districts each representing Alaska Natives residing in a village.

Although the ANCSA Corporations are to be given substantial real estate and subsurface mineral interests, many of such interests are not presently specifically identifiable as they are to be selected and acquired over a four-year period in accordance with the provisions of the Settlement Act. Distribution of a significant portion of monetary compensation was made almost immediately upon enactment of the Settlement Act, however, and $130,000,000 of such monies has already been received by the twelve Regional Corporations. Furthermore, large additional distributions of cash will be made to the ANCSA Corporations in the next few years, so that, during this period, at least until they have fully exercised their land grant privileges and have begun to engage primarily in owning land or operating a business, many of the ANCSA Corporations may be investment companies within the meaning of Sections 3(a)(1) and 3(a)(3) of the Act.[2]

It appears that, without compliance with the Act or exemptive relief by the Commission, questions may be raised whether many ANCSA Corporations may operate in interstate commerce or buy securities in interstate commerce.[3] Several ANCSA Corporations have filed applications for orders of the Commission pursuant to Section 3(b)(2) of the Act, each claiming, in effect, that the applicant is primarily engaged in a business other than that of being an investment com-

[2] Section 3(a)(1) defines "investment company" as any issuer which is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, or trading in securities. Section 3(a)(3) defines "investment company" as any issuer which is engaged or proposes to engage in the business of investing, reinvesting, owning, holding, or trading in securities, and owns or proposes to acquire investment securities having a value exceeding 40 percent of the value of such issuer's total assets (excluding Government securities and cash items) on an unconsolidated basis.

[3] Such activities might be precluded by Sections 7(a)(4) and 7(d)(3) of the Act, which provide, respectively, that an unregistered investment company may not engage in any business in interstate commerce and that no depositor or trustee of or underwriter for any unregistered investment company may sell or purchase for the account of such company, by the use of the mails or any means or instrumentality of interstate commerce, any security or interest in a security, by whomever issued.

pany.[4] In view of the large number of ANCSA Corporations, many of which are potential applicants of this type, and the serious question as to whether such ANCSA Corporations can meet the operational prerequisites for a Section 3(b)(2) order, the Commission has determined to grant appropriate temporary exemptive relief by the promulgation of a rule pursuant to Section 6(c) of the Act and to propose that such relief be made permanent.

Rule 6c-2(T) temporarily removes all ANCSA Corporations from the burden of complying with various requirements of the Act. Such corporations will be obliged to comply with only those provisions which provide essential protection for the substantial pools of liquid capital they hold in trust for the Alaska Natives. Accordingly, Rule 6c-2(T) provides that the ANCSA Corporations shall be exempt from all provisions of the Act except Sections 8(a), 9, 17, 36, and 37, provided, however, that such corporations must comply with certain reporting and other requirements set forth in the rule. Rule 6c-2 would provide exactly the same relief on a permanent basis, if adopted.

Section 8(a) of the Act requires the ANCSA Corporations to register with the Commission by filing a Form N-8A disclosing basic information such as the name and address of the corporation, the names of its officers, directors, and adviser and the identity of other companies substantial amounts of the securities of which are held by the registrant. The more detailed Form N-8B-1 registration statement will not be required.

Section 9 of the Act prohibits a person convicted of certain crimes or enjoined from certain specified activities, generally crimes and activities involving securities transactions and the functions of underwriters, brokers, dealers and financial institutions, from serving as an officer, director, member of an advisory board, investment adviser, or depositor of a registered investment company. Section 9 also provides procedures for the removal of this prohibition under appropriate circumstances.

Section 17, generally speaking, requires Commission approval before the ANCSA Corporations may engage in certain transactions with affiliated persons.

Section 36 authorizes the Commission or a shareholder to bring a civil action against officers, directors, members of advisory boards, investment advisers, depositors or underwriters of registered companies for breach of fiduciary duty involving personal misconduct. It further provides that an investment adviser is deemed to have a fiduciary duty with respect to the receipt of compensation for services or payments of a material nature paid by the investment company.

Section 37 makes it a crime under the Act to steal or embezzle the property of an investment company.

The exemptions granted by the rules may be claimed only by ANCSA Corporations which meet conditions requiring them to file annually with the Commission copies of reports required by Section 7(o) of the Settlement Act, and to maintain the records used as the basis for such reports for examination by the Commission.

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[4] Section 3(b)(2) provides, in pertinent part, that if the Commission finds that an issuer is primarily engaged in a business or businesses other than that of investing, reinvesting, owning, holding, or trading in securities, such issuer will not be an investment company within the meaning of the Act.

Rule 6(c)-2(T) is hereby adopted pursuant to Sections 6(c), 38(a), and 39 of the Act. Proposed Rule 6(c)-2 would be adopted pursuant to the same provisions. Section 6(c) of the Act provides that the Commission by rule, regulation, or order may conditionally or unconditionally exempt any person, security, or transaction or any class of persons, securities, or transactions from any provision or provisions of the Act if such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes intended by the policy and provisions of the Act. Section 38(a) states, in part, that the Commission shall have the authority from time to time to make, issue and amend such rules and regulations as are necessary or appropriate to the exercise of the powers conferred upon the Commission elsewhere in the Act. Section 39 states in part that, subject to the Federal Register Act, rules and regulations of the Commission under the Act shall be effective upon publication in the manner prescribed by the Commission.

The text of Rule 6c-2(T) is as follows:

Rule 6c-2(T): Temporray Exemption for Corporations Organized pursuant to the Alaska Native Claims Settlement Act of 1971.

Any corporation organized pursuant to the Alaska Native Claims Settlement Act of 1971 ("Settlement Act") ("ANCSA Corporations") shall be temporarily exempt from all provisions of the Act except Sections 8(a), 9, 17, 36, and 37 subject to the following conditions:

Any company claiming exemptions pursuant to this rule shall file annually with the Commission copies of the reports required by Section 7(o) of the Settlement Act and shall maintain and keep current the accounts, books, and other documents relating to its business which constitute the record forming the basis for such information and of the auditor's certification thereto. All such accounts, books, and other documents shall be subject at any time and from time to time to such reasonable periodic, special, and other examinations by the Commission, or any member or representative thereof, as the Commission may prescribe. Such company shall furnish to the Commission, within such time as the Commission may prescribe, copies of extracts from such records which may be prepared without undue effort, expense, or delay as the Commission may by order require.

The Commission finds that the adoption of Rule 6c-2(T) is appropriate in the public interest and is consistent with the protection of investors and the purposes intended by the policy and provisions of the Act. The Commission further finds, in accordance with the requirements of the Administrative Procedure Act[5] that notice of Rule 6c-2(T) prior to its adoption and public procedure thereon are impracticable and unnecessary since the rule will be temporary in its effect and will not exempt any ANCSA Corporations from those provisions of the Act needed to provide essential protections for the assets being held for the benefit of the Alaska Natives until such time as the rule is adopted.[6] Accordingly, Rule 6c-2(T) shall become effective on February 26, 1974, retroactive to December 18, 1971, the date of enactment of the Settlement Act.

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[5] 5 U.S.C. § 551 et seq. (1970).
[6] Id. § 553(d)(1).

The text of proposed Rule 6c-2 is as follows:

Rule 6c-2: Exemption for Corporations Organized pursuant to the Alaska Native Claims Settlement Act of 1971.

Any corporation organized pursuant to the Alaska Native Claims Settlement Act of 1971 ("Settlement Act") ("ANCSA Corporation") shall be exempt from all provisions of the Act except Sections 8(a), 9, 17, 36, and 37 subject to the following conditions:

Any company claiming exemptions pursuant to this rule shall file annually with the Commission copies of the reports required by Section 7(o) of the Settlement Act and shall maintain and keep current the accounts, books, and other documents relating to its business which constitute the record forming the basis for such information and of the auditor's certifications thereto. All such accounts, books, and other documents shall be subject at any time and from time to time to such reasonable periodic, special, and other examinations by the Commission, or any member or representative thereof, as the Commission may prescribe. Such company shall furnish to the Commission, within such time as the Commission may prescribe, copies of or extracts from such records which may be prepared without undue effort, expense, or delay as the Commission may by order require.

All interested persons are invited to submit views and comments with respect to proposed Rule 6c-2, in writing, to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D.C. 20549, on or before April 10, 1974. All communications with respect to this matter should refer to File No. S7-514. Such communications will be available for public inspection.

By the Commission.

GEORGE A. FITZSIMMONS, *Secretary.*

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., December 3, 1973.

HON. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: The Department of Agriculture would like to offer its views on certain provisions of the Subcommittee Print of H.R. 6644, a bill "To provide, under or by amendment of the Alaska Native Claims Settlement Act, for the late enrollment of certain Natives, the establishment of an escrow account for the proceeds of certain lands, the treatment of certain payments and grants, and the consolidation of existing corporations and for other purposes."

The bill was ordered reported to the full Committee on October 2 by the Subcommittee on Indian Affairs. We understand that the Committee will consider the bill early in December.

The Department of Agriculture has major concerns about certain provisions of the Subcommittee Print which affect the responsibilities of this Department. These include (1) the definition of "proceeds" from public easements as contained in section 2(c); (2) the special treatment provided in section 10 relating to Sealaska's entitlement

under 14(h)(8) of the Settlement Act; (3) the settlement of Cook Inlet Regional Corporation's land selection difficulties as proposed in section 12; and (4) the conveyance of subsurface estate in the proposed Aniakchack Caldera National Monument to Koniag Regional Corporation. Our recommendations on each of these provisions are presented in the enclosed supplemental statement. If H.R. 6644 is amended as recommended in our statement, this Department would have no objection to the enactment of the bill.

This Department is seriously concerned with the repeated efforts to amend the Settlement Act. In our view, the Alaska Native Claims Settlement Act represents a fair and equitable settlement of the interests of the Alaska Natives, the State of Alaska and the nation at large. The Act resulted from long and careful deliberation by several Congresses and represents a careful balance and compromise of the various interests. We are concerned that amendments to the Settlement Act will ultimately result in major alterations of the settlement and lead to the reopening of issues that the Congress and the Executive Branch clearly thought were settled by passage of the Act. This Department would prefer that amendments to the Act be limited to resolving conflicts that are inherent in the Act and to resolving procedural matters which have developed in trying to implement the Act.

The Office of Management and Budget advises that the presentation of this report is consistent with the Administration's objectives.

Sincerely,

ROBERT W. LONG,
Assistant Secretary.

SUPPLEMENTAL STATEMENT OF THE U.S. DEPARTMENT OF AGRICULTURE ON SUBCOMMITTEE PRINT OF H.R. 6644

Section 2(c)—Proceeds From Public Easements

Section 2(c) provides that proceeds from public easements reserved pursuant to section 17(b)(3) of the Settlement Act shall be paid to the grantee of such conveyance in accordance with such grantee's proportionate share. The intent of the provision is not clear, and we are concerned about how the term "proceeds" might be construed.

Two types of easements are being reserved in support of the National Forest System program in Alaska. The first type includes those necessary to maintain the existing rights of third parties. Proceeds from these easements will pass to the Natives under the provisions of section 14(g) of the Settlement Act. No easements are being reserved by the Forest Service solely for the future use of third parties.

The second type of easement includes those necessary to provide access to the National Forests and to otherwise support management of National Forest programs. We do not participate any proceeds from these public easements.

We would strongly object to section 2(c) if the intent is to interpret the term "proceeds" to include receipts from sale or use of National Forest resources which require use of a reserved easement—for example, a timber sale contract which required hauling logs over a road on a reserved easement—or if the "proceeds" were to include road maintenance or cost-recovery charges levied by the Forest Service on

a non-Federal user. We do not believe that such receipts or cost-recovery charges should be considered as proceeds.

Therefore, if the Committee determines that Natives should receive certain proceeds from public easements reserved pursuant to section 17(b)(3), we recommend that section 2(e) be amended as follows:

"(e) Any and all rental and use fees paid by commercial users of public easements reserved pursuant to section 17(b)(3) of the Settlement Act shall be paid to the grantee of such conveyance in accordance with such grantee's proportionate share, to be computed in the same manner as fractional interests are computed pursuant to section 14(g) of the Settlement Act. As used in this subsection, the term rental and use fee shall not include road maintenance or other cost-recovery charges levied to a non-Federal user."

This proposed amendment has been developed by this Department and the Department of the Interior. It accommodates our concerns about what constitutes a proceed derived from these easements. Under this provision, the receipts from sale or use of National Forest resources which required use of a reserved easement would clearly not fall within the meaning of rental and use fees. In addition, charges levied to commercial users by the Forest Service to recover direct costs would also not be subject to distribution under section 2(e).

Section 10—Sealaska Amendment

Section 10 of the Subcommittee Print would amend section 16(b) of the Settlement Act to permit Sealaska Regional Corporation to select the lands to which it is entitled under section 14(h)(8) from lands withdrawn for but not conveyed to Village Corporations within the Region. However, Sealaska could not select lands on Admiralty Island and, without the consent of the Governor of Alaska, could not select lands in the Saxman and Yakutat withdrawal areas.

The Department of Agriculture strongly recommends that section 10 not be incorporated into H.R. 6644, as amended by the Subcommittee.

The Alaska Native Claims Settlement Act (ANCSA) was the result of long and careful deliberation, negotiation, and compromise by the Congress, the Executive Branch, the State of Alaska, and the Alaska Natives. The resulting settlement represented a carefully constructed balance which was deemed equitable to the interests of the American people, the Alaska Natives, and the State of Alaska. To amend the Act now with regard to land selection would, in our view, undo the balance and equity achieved by ANCSA and lead to the reopening of issues which Congress and the Executive Branch clearly thought were settled by enactment of the Alaska Native Claims Settlement Act.

An important aspect of the balance achieved by ANCSA was the special treatment of land selection by the natives of southeast Alaska. In 1968 the Court of Claims entered judgment in behalf of the Tlingit and Haida Indians of southeast Alaska in the amount of some 87.5 millions. Most of this amount represented compensation for the Federal taking of land which became the Tongass National Forest. In formulating ANCSA, the Congress recognized this cash settlement. It also recognized that the value of lands in southeast Alaska with its water access and commercial timber is greater than that of other regions in Alaska and that there was a need to prevent conflict between

the purposes of the Act and the purposes for which the National Forests were established. Accordingly, under ANCSA, the southeast native village corporations were limited to selections of 23,040 acres each, and the Southeast Regional Corporation (Sealaska) was excluded from land selection under section 12. The only land which Congress entitled Sealaska to select was a share of the balance of the two million acres withdrawn under section 14(h). By specifically authorizing conveyances from the National Forests for section 14(h)(1), (2) (3), and (5), it is clear that Congress did not intend for 14(h)(8) conveyances to be made from National Forest lands.

Section 10 of the Subcommittee Print would alter the balance of the Act by awarding Sealaska a greater settlement than Congress intended and by giving Sealaska selection rights on lands for which compensation has already been granted. It would also have a detrimental effect on land selections by the other Regional Corporations and represent an inequity to them. First, by amending section 16, the Sealaska amendment would affect the formula under section 12 which governs the amount of lands that all other Regional Corporations may select and would reduce the amount of lands to which these corporations are entitled. The effect would be to prevent the conveyance of the full 40 million acres provided for in the Act. Secondly, Sealaska Region would receive 14(h)(8) lands of far greater surface value than would the other Regional Corporations. Moreover, if section 10 is enacted, it is probable that the Chugach and Koniag Regions would desire similar treatment for their entitlements under 14(h)(8). These Regions are claiming difficulty in selecting the full amount of lands to which they are entitled under section 12(c) because of the limitation on selections from the National Forests and the National Wildlife Refuge System.

In our view, the proposal contained in section 10 of H.R. 6644 represents the kind of conflict between National Forest purposes and the interests of the Alaska Natives that ANCSA sought to eliminate. Section 10 would likely result in an additional 200-250,000 acres being withdrawn from the Tongass National Forest. These lands contain the full range of resource values for which the National Forest was established. The public values include significant wildlife habitat, recreation use areas, access to major fishing areas, and lands suited to timber harvest. We believe the benefits of multiple resource management can best be achieved by retaining these lands as part of the National Forest System.

In summary, we urge the Committee not to incorporate section 10 in H.R. 6644. There are sufficient D-1 lands within southeastern Alaska to provide for Sealaska Corporation's selection as originally contemplated in the Alaska Natives Claims Settlement Act. We believe that selections from these lands would be comparable to lands available to other regional corporations under section 14(h)(8) of the Act.

Section 12—Cook Inlet Regional Corporation

Section 12 of the Subcommittee Print would amend section 12 of the Settlement Act by adding a new subsection (f) to permit exchange of Federal lands withdrawn under section 17(d) for State patented lands and interests therein. These State lands would then be conveyed to Cook Inlet Regional Corporation along with two townships of National Forest lands. In addition, subsection (3) would permit the Cook

Inlet Region to select lands withdrawn for village selection in other regions.

We oppose section 12. The proposed conveyance of two townships of National Forest land represents precisely the kind of conflict between the purposes of the Settlement Act and the purposes of National Forests that Congress sought to resolve in passing the Settlement Act.

We understand from the Department of the Interior that a mutually acceptable settlement has not yet been reached with Cook Inlet Regional Corporation. For this reason, we recommend that congressional action on this issue be deferred.

Section 15—Conveyance to Koniag Regional Corporation

Section 15 of the Subcommittee Print would convey to Koniag Regional Corporation the subsurface estate under certain lands proposed for establishment as the Aniakchak Caldera National Monument.

While the lands and interests involved in this conveyance are not under the jurisdiction of this Department, we are opposed to the inclusion of this provision in H.R. 6644.

The Settlement Act provides for dual withdrawals of the d-2 lands and for these dual withdrawls to be considered at the time the Congress considers the d-2 proposals for new national forests, parks, refuges, and wild and scenic rivers. We are unaware of any urgency which would necessitate resolving the selection of Koniag Regional Corporation's land selection problems now. In our view, the better course is to consider all aspects of each d-2 proposal together as the Settlement Act provides. Accordingly, we recommend that section 15 not be enacted.

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Challenges to the maps should not be necessary. And local communities affected by the compulsory features of the act been given the opportunity to work with HUD in determining local flood-prone areas and flooding frequency rates, much of the current resentment and opposition to the implementation of the program might have been avoided. Instead, the act was implemented in a manner which leaves no room for compromise between those enforcing the program and those forced to live with it.

The current law imposes serious penalties on property owners in many communities who do not have the power to determine whether that community will enter or will not enter the flood insurance program. Banks and lending institutions will have their freedom to make loans restrained. This, in turn, adversely affects the housing construction industry and the employment picture. The act depresses property values. In addition, it steadily wears down the local, the State, and the Federal tax base in affected communities. Projects planned with Federal aid will, most likely, be scrapped.

Mr. BARRETT. Mr. Speaker, I have no requests for time. If the gentleman from Michigan (Mr. BROWN) wants to speak, I will yield to him.

Mr. BROWN of Michigan. Mr. Speaker, I think in the course of colloquy on the prior suggested action of the House we have discussed the matter in great depth, and that should be sufficient.

Mr. Speaker, I have no requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. BARRETT) that the House suspend the rules and pass the Senate bill S. 610.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. BARRETT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the Senate bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

ALASKA NATIVE CLAIMS SETTLEMENT ACT AMENDMENTS

Mr. MEEDS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6644) to provide, under or by amendment of the Alaska Native Claims Settlement Act, for the late enrollment of certain Natives, the establishment of an escrow account for the proceeds of certain lands, the treatment of certain payments and grants, and the consolidation of existing regional corporations, and for other purposes as amended.

The Clerk read as follows:

H.R. 6644

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") is authorized to review those applications submitted within one year from the date of enactment of this Act by applicants who failed to meet the March 30, 1973, deadline for enrollment established by the Secretary pursuant to the Alaska Native Claims Settlement Act (hereinafter in this Act referred to as the "Settlement Act"), and to enroll those Natives under the provisions of that Act who would have been qualified if the March 30, 1973, deadline had been met: *Provided*, That Natives enrolled under this Act shall be issued stock under the Settlement Act together with a pro rata share of all future distributions under the Settlement Act which shall commence beginning with the next regularly scheduled distribution after the enactment of this Act; *Provided further*, That land entitlement of any Native village, Native group, Village Corporation, or Regional Corporation, all as defined in such Act, shall not be affected by any enrollment pursuant to this Act, and that no tribe, band, clan, group, village, community, or association not otherwise eligible for land or other benefits as a "Native village", as defined in such Act, shall become eligible for land or other benefits as a Native village because of any enrollment pursuant to this Act: *Provided further*, That no tribe, band, clan, village, community, or village association not otherwise eligible for land or other benefits as a "Native group", as defined in such Act, shall become eligible for land or other benefits as a Native group because of any enrollment pursuant to this Act: *And provided further*, That any "Native group", as defined in such Act, shall not lose its status as a Native group because of any enrollment pursuant to this Act.

(b) The Secretary is authorized to poll individual Natives properly enrolled to Native villages or Native groups which are not recognized as village corporations under section 11 of Alaska Native Claims Settlement Act and which are included within the boundaries of former reserves who elected to receive surface and subsurface entitlement pursuant to subsection 19(b) of the Settlement Act. The Secretary may allow these individuals the option to enroll to a Village Corporation which elected the surface and subsurface title under section 19(b) or remain enrolled to the Regional Corporation in which the village or group is located on an at-large basis: *Provided*, That nothing in this subsection shall affect existing entitlement to land of any Regional Corporation pursuant to section 12(b) or 14(h)(8) of the Settlement Act.

(c) In those instances where, on the roll prepared under section 5 of the Settlement Act, there were enrolled as resident of a place on April 1, 1970 the minimum number of Natives required for a Native village or Native group, as the case may be, and it is subsequently and finally determined that such place is not eligible for land benefits under the Act on grounds which include a lack of sufficient number of residents, the Secretary shall, in accordance with the criteria for residence applied in the final determination of eligibility, redetermine the place of residence on April 1, 1970, of each Native enrolled to such place, and the place of residence as so redetermined shall be such Native's place of residence on April 1, 1970, for all purposes under the Settlement Act: *Provided*, That such Native whose place of residence on April 1, 1970 is changed by reason of this subsection shall be issued stock in the Native corporation or corporations in which such redetermination entitles him to membership and all stock issued to such Native by any Native Corporation in which he is no longer eligible for membership shall be deemed canceled: *Provided further*, That no redistribution of funds made by any Native corporation on the basis of prior places of residence shall be affected: *Provided further*, That land entitlements of any Native village, Native group, Village Corporation, Regional Corporation, or corporations organized by Natives residing in Sitka, Kenai, Juneau, or Kodiak, all as defined in said Act, shall not be affected by any determination of residence made pursuant to this subsection, and no tribe, band, clan, group, village, community, or association not otherwise eligible for land or other benefits as a "Native group" as defined in said Act, shall become eligible for land or other benefits as a Native group because of any redetermination of residence pursuant to this subsection: *Provided further*, That any distribution of funds from the Alaska Native Fund pursuant to subsection (e) of section 6 of the Settlement Act made by the Secretary or his delegate prior to any redetermination of residency shall not be affected by the provisions of this subsection. Each Native whose place of residence is subject to redetermination as provided in this subsection shall be given notice and an opportunity for hearing in connection with such reexamination as shall any Native Corporation which it appears may gain or lose stockholders by reason of such redetermination of residence.

SEC. 2. (a) From and after the date of enactment of this Act, or January 1, 1976, whichever occurs first, any and all proceeds derived from contracts, leases, permits, rights-of-way, or easements, issued pursuant to section 14(g) of the Settlement Act, pertaining to land or resources of lands withdrawn for Native selection pursuant to the Settlement Act shall be deposited in an escrow account which shall be held by the Secretary until lands selected pursuant to that Act have been conveyed to the selecting corporation or individual entitled to receive benefits under such Act. As such withdrawn or formerly reserved lands are conveyed, the Secretary shall pay from such account the proceeds which derive from contracts, leases, permits, rights-of-way, or easements, pertaining to lands or resources of such lands, to the appropriate corporation or individual entitled to receive benefits under the Settlement Act together with interest. The proceeds derived from contracts, leases, permits, rights-of-way, or easements, pertaining to lands withdrawn or reserved, but not selected or elected pursuant to such Act, shall, upon the expiration of the selection or election rights of the corporations and individuals for whose benefit such lands were withdrawn or reserved, be deposited in the Treasury of the United States or paid as would have been required by law were it not for the provisions of this Act.

(b) The Secretary is authorized to deposit in the Treasury of the United States the escrow account proceeds referred to in subsection (a) of this section, and the United States shall pay interest thereon semiannually from the date of deposit, such deposit to bear simple interest at a rate determined by the Secretary of the Treasury: *Provided*, That the Secretary in his discretion may withdraw such proceeds from the United States Treasury and reinvest such proceeds in the manner provided by the first section of the Act of June 24, 1938 (25 U.S.C. 162a): *Provided further*, That this section shall not be construed to create or terminate any trust relationship between the United States and any corporation or individual entitled to receive benefits under the Settlement Act.

(c) Any and all proceeds from public easements reserved pursuant to subsection 17(b)(3) of the Settlement Act, from or after the date of enactment of this Act, shall be paid to the grantee of such conveyance in accordance with such grantee's appropriate share.

(d) To the extent that there is a conflict between the provisions of this section and any other Federal laws applicable to Alaska, the provisions of this section will govern. Any payment made to any corporation or any individual under authority of this section shall not be subject to any prior obligation under section 9(d) or 3(f) of the Settlement Act.

SEC. 3. The Settlement Act is amended by adding at the end thereof the following new section:

"SEC. 28. Any corporation organized pursuant to this Act shall be exempt from the provisions of the Investment Company Act of 1940 (54 Stat. 789), the Securities Act of 1933 (48 Stat. 74), and the Securities Exchange Act of 1934 (48 Stat. 881), as amended, through December 31, 1991. Nothing in this section, however, shall be construed to me nd that any such corporation shall or shall not, after such date, be subject to the provisions of such Acts. Any such corporation which, but for this section, would be subject to the provisions of the Securities Exchange Act of 1934 shall transmit to its stockholders each year a report containing substantially all information required to be included in an annual report to stockholders by a corporation which is subject to the provisions of such Act.".

SEC. 4. The Settlement Act is further amended by adding at the end thereof the following new section:

"SEC. 29. (a) The payments and grants authorized under this Act constitute compensation for the extinguishment of claims to land, and shall not be deemed to substitute for any governmental programs otherwise available to the Native people of Alaska as citizens of the United States and the State of Alaska.

"(b) Notwithstanding section 5(a) and any other provision of the Food Stamp Act of 1964, in determining the eligibility of any household to participate in the food stamp program, any compensation, remuneration, revenue, or other benefit received by any member of such household under the Settlement Act shall be disregarded.".

SEC. 5. For purposes of the first section of the Act of February 13, 1929 (45 Stat. 1164), as amended, and the first section of the Act of June 24, 1938 (52 Stat. 1037), the Alaska Native Fund shall, pending distributions under section 6(c) of the Settlement Act, be considered to consist of funds held in trust by the Government of the United States for the benefit of Indian tribes: *Provided*, That nothing in this section shall be construed to create or terminate any trust relationship between the United States and any corporation or individual entitled to receive benefits under the Settlement Act.

SEC. 6. The Settlement Act is further amended by adding a new section 30 to read as follows:

"SEC. 30. (a) Notwithstanding any provision of this Act, any corporation created pursuant to section 7(d), 8(a), 14(h)(2), or 14(h)(3) within any of the twelve regions of Alaska, as established by section 7(a), may, at any time, merge or consolidate, pursuant to the applicable provisions of the laws of the State of Alaska, with any other of such corporation or corporations created within or for the same region. Any corporations resulting from mergers or consolidations further may merge or consolidate with other such merged or consolidated corporations within the same region or with other of the corporations created in said region pursuant to section 7(d), 8(a), 14(h)(2), or 14(h)(3).

"(b) Such mergers or consolidations shall be on such terms and conditions as are approved by vote of the shareholders of the corporations participating therein, including, where appropriate, terms providing for the issuance of additional shares of Regional Corporation stock to persons already owning such stock, and may take place pursuant to votes of shareholders held either before or after the enactment of this section: *Provided*, That the rights accrued under Alaska law to dissenting shareholders in a merger or consolidation may not be exercised in any merger or consolidation pursuant to this Act effected prior to December 18, 1991. Upon the effectiveness of any such mergers or consolidations the corporations resulting therefrom and the shareholders thereof shall succeed and be entitled to all the rights, privileges, and benefits of this Act, including but not limited to the receipt of lands and moneys and exemptions from various forms of Federal, State, and local taxation, and shall be subject to all the restrictions and obligations of this Act as are applicable to the corporations and shareholders which participated in said mergers or consolidations or as would have been applicable if the mergers or consolidations and transfers of rights and titles thereto had not taken place: *Provided*, That, where a Village Corporation organized pursuant to section 10(b) of this Act merges or consolidates with the Regional Corporation of the region in which such village is located or with another Village Corporation in that region, no provision of such merger or consolidation shall be construed as increasing or otherwise changing regional enrollments for purposes of distribution of the Alaska Native Fund; land selection eligibility; or revenue sharing pursuant to sections 6(c), 7(m), 12(b), 14(h)(8), and 7(i) of this Act.

"(c) Notwithstanding the provisions of section 7 (j) or (m), in any merger or consolidation in which the class of stockholders of a Regional Corporation who are not residents of any of the villages in the region are entitled under Alaska law to vote as a class, the terms of the merger or consolidation may provide for the alteration or elimination of the right of said class to receive dividends pursuant to said section 7 (j) or (m). In the event that such dividend right is not expressly altered or eliminated by the terms of the merger or consolidation, such class of stockholders shall continue to receive such dividends pursuant to section 7 (j) or (m) as would have been applicable if the merger or consolidation had not taken place and all Village Corporations within the affected region continued to exist separately.

"(d) Notwithstanding any other provision of this section or of any other law, no corporation referred to in this section may merge or consolidate with any other such corporations unless that corporation's shareholders have approved such merger or consolidation.

"(e) The plan of merger or consolidation shall provide that the right of any affected Village Corporation pursuant to section 14 (f) to withhold consent to mineral exploration development, or removal within the boundaries of the Native village shall be conveyed, as part of the merger or consolidation, to a separate entity composed of the Native residents of such Native village.".

SEC. 7. Section 17(d)(2)(C) of the Settlement Act is amended to read as follows:

"(10) The Planning Commission shall submit, in accordance with this paragraph, comprehensive reports to the President of the United States, the Congress, and the Governor and Legislature of the State with respect to its planning and other activities under this Act, together with its recommendations for programs or other actions which it determines should be implemented or taken by the United States and the State. An interim, comprehensive report covering the above matter shall be so submitted on or before May 30, 1978. A final and comprehensive report covering the above matter shall be so submitted on or before May 30, 1980. The Commission shall cease to exist effective June 30, 1979.".

SEC. 8. (a) Notwithstanding the October 6, 1975 Order of the United States District Court for the District of Columbia in the case of Alaska Native Association of Oregon et al. v. Rogers C. B. Morton et al., Civil Action No. 2133-73, and Alaska Federation of Natives, International, Inc., et al. v. Rogers C. B. Morton, et al., Civil Action No. 2141-73 (— F. Supp. —), changes in enrollment of Alaska Natives which are necessitated or permitted by such Order shall in no way affect land selection entitlements of any Alaska Regional or Village Corporation nor any Native village or group eligibility.

(b) Stock previously issued by any of the twelve Alaska Native Regional Corporations or by Alaska Native Village Corporations to any Native who is enrolled in the thirteenth region pursuant to said order shall, upon said enrollment, be canceled by the issuing corporation without liability to it or the Native whose stock is so canceled: *Provided*, That, in the event that a Native enrolled in the thirteenth region pursuant to said order shall elect to reenroll in the appropriate Alaska Regional Corporation pursuant to the sixth ordering paragraph of that order, stock of such Native may be canceled by the Thirteenth Regional Corporation and stock may be issued to such Native by the appropriate Alaska Regional Corporation without liability to either corporation or to the Native.

(c) In the event section 5(a) of the Settlement Act is amended to reopen the Alaska Native Roll for additional enrollment, any Native enrolling under such authority who is determined not to be a permanent resident of the State of Alaska under criteria established pursuant to such Act shall, at the time of enrollment elect whether to be enrolled in the thirteenth region or in the region determined pursuant to the provisions of section 5(b) of the Settlement Act and such election shall apply to all dependent members of such Native's household who are less than eighteen years of age on the date of such election.

(d) No change in the final roll of Alaska Natives established by the Secretary pursuant to section 5 of the Settlement Act resulting from any regulation promulgated by the Secretary of the Interior providing for the disenrollment of Alaska Natives shall affect land entitlements of any regional or village corporation or any Native village or group eligibility.

SEC. 9. Section 16 of the Settlement Act is amended by inserting at the end thereof a new subsection (d) to read as follows:

"(d) The lands enclosing and surrounding the village of Klukwan which were withdrawn by subsection (a) of this section are hereby rewithdrawn to the same extent and for the same purposes as provided by said subsection (a) for a period of one year from the date of enactment of this subsection, during which period the Village Corporation for the village of Klukwan shall select an area equal to twenty-three thousand forty acres in accordance with the provisions of subsection (b) of this section and such Corporation and the shareholders thereof shall otherwise participate fully in the benefits provided by this Act to the same extent as they would have participated had they not elected to acquire title to their former reserve as provided by section 19(b) of this Act: *Provided*, That nothing in this subsection shall affect the existing entitlement of any Regional Corporation to lands pursuant to section 14(h)(8) of this Act: *Provided further*, That the foregoing provisions of this subsection shall not become effective unless and until the Village Corporation for the village of Klukwan shall quitclaim to Chilkat Indian Village, organized under the provisions of the Act of June 18, 1934 (48 Stat. 984), as amended by the Act of May 1, 1936 (49 Stat. 1250), all its right, title, and interest in the lands of the reservation defined in and vested by the Act of September 2,

1957 (71 Stat. 6091, which lands are hereby conveyed and confirmed to said Chilkat Indian Village in fee simple absolute, free of trust and all restrictions upon alienation, encumbrance, or otherwise: *Provided further*, That the United States and the Village Corporation for the Village of Klukwan shall also quitclaim to said Chilkat Indian Village any right or interest they may have in and to income derived from the reservation lands defined in and vested by the Act of September 2, 1957 (71 Stat. 597) after the date of enactment of this Act and prior to the date of enactment of this subsection.".

Sec. 10. Section 16(b) of the Settlement Act is amended by adding at the end thereof the following: "Such allocation as the Regional Corporation for the southeastern Alaska region shall receive under section 14 (h)(8) shall be selected and conveyed from lands not selected by such Village Corporations that were withdrawn by subsection (a) of this section, except lands on Admiralty Island in the Admiralty withdrawal area and, without the consent of the Governor of the State of Alaska or his delegate, lands in the Baxman and Yakutat withdrawal areas.".

Sec. 11. Section 7(a) of the Settlement Act is amended by changing the period at the end thereof to a colon and adding the following: *Provided*, That the boundary between the southeastern and Chugach regions shall be the 141st meridian: *Provided further*, That, with respect to any lands conveyed to it in the vicinity of Icy Bay, the Regional Corporation for the Chugach region shall accord to the Natives enrolled to the village of Yakutat the same rights and privileges to use such lands for purposes traditional thereon, including, but not limited to, subsistence hunting, fishing, and gathering, as it accords to its own shareholders, and shall take no unreasonable or arbitrary action relative to such lands for the primary purpose, and having the effect, of impairing or curtailing such rights and privileges.".

Sec. 12. Cook Inlet Settlement. (a) The purpose of this section is to provide for the settlement of certain claims, and in so doing to consolidate ownership among the United States, the Cook Inlet Region, Incorporated ("Region" hereinafter), and the State of Alaska, within the Cook Inlet area of Alaska in order to facilitate land management and to create land ownership patterns which encourage settlement and development in appropriate areas. The provisions of this section shall take effect at such time as all of the following have taken place:

(1) The State of Alaska has conveyed or irrevocably obligated itself to convey lands to the United States for exchange, hereby authorized, with the Region in accordance with the document referred to in subsection (b);

(2) The Region and all plaintiffs/appellants have withdrawn from Cook Inlet v. Kleppe, No. 75-2212, 9th Circuit, and such proceedings have been dismissed with prejudice; and

(3) All Native village selections under section 12 of the Alaska Native Claims Settlement Act of the lands within Lake Clark, Lake Contrashibuna, and Mulchatna River deficiency withdrawals have been irrevocably withdrawn and waived.

The conveyances described in paragraph (1) of this subsection shall not be subject to the provisions of section 6(i) of the Alaska Statehood Act (72 Stat. 339).

(b) The Secretary shall make the following conveyances to the Region, in accordance with the specific terms, conditions, procedures, covenants, reservations, and other restrictions set forth in the document entitled "Terms and Conditions for Land Consolidation and Management in Cook Inlet Area," which was submitted to the House Committee on Interior and Insular Affairs on December 10, 1975, the terms of which are hereby ratified as to the duties and obligations of the United States set forth therein:

(1) Approximately 10,210 acres of land within the Kenai National Moose Range; except that there shall be no conveyance of the bed of Lake Tustumena, or the mineral estate in the water-front zone described in the document referred to in this subsection;

(2) Title to oil and gas and coal in not to exceed 9.5 townships within the Kenai National Moose Range;

(3) Federal interests in townships 10 South, Range 9 West, S.M., and township 20, North, Range 9 East, S.M.;

(4) Township 1 South, Range 21 West, S.M.; secs. 3, 10, 15-22, 27 and 30; and rights to metalliferous minerals in the following sections in township 1 North, Range 21 West, S.M.: secs. 13, 14, 15, 22, 23, 24, 25, 26, 27, 28, 32, 34, 35, 36;

(5) Twenty-nine and sixty-six hundredths townships of land outside the boundaries of Cook Inlet Region; unless pursuant to the document referred to in this subsection a greater or lesser entitlement shall exist in which case the Secretary shall convey such entitlement;

(6) Lands selected by the Region from a pool which shall be established by the Secretary and the Administrator of General Services: *Provided*, That conveyances pursuant to this paragraph shall not be subject to the provisions of section 22(j) of the Alaska Native Claims Settlement Act: *Provided further*, That conveyances pursuant to this paragraph shall be made in exchange for lands or rights to select lands outside the boundaries of Cook Inlet Region as described in paragraph (5) of this subsection and on the basis of values determined by agreement among the parties, notwithstanding any other provision of law. Effective upon their conveyance, the lands referred to in paragraph (1) of this subsection are excluded from the Kenai National Moose Range, but they shall automatically become part of the Range and subject to the laws and regulations applicable thereto upon title thereafter vesting in the United States. The Secretary is authorized to acquire lands formerly within the Range with the concurrence of the owner. Section 22(c) of the Alaska Native Claims Settlement Act, concerning refuge replacement, shall apply with respect to lands conveyed pursuant to paragraphs (1) and (2) of this subsection, except that the Secretary may designate for replacement land twice the amount of any land without restriction to a native corporation.

No lands outside the exterior boundaries of Cook Inlet Region shall be conveyed to Cook Inlet Region, Inc., unless, in the following circumstances, the consent of other Native Corporations is obtained:

I. Where the township to be nominated is located within an area withdrawn as of December 15, 1975, pursuant to Section 11 (a)(1), CIRI shall obtain the consent of the Region and Village Corporation affected.

II. Where the township to be nominated is located within an area withdrawn pursuant to Section 11(a)(3) as of December 15, 1975, CIRI shall obtain the consent of the Region, in which the township is located.

There shall be established a buffer zone outside the withdrawals described in subparagraphs I and II which zone shall extend one township from any such Section 11(a)(3) withdrawal and one and one-half townships from any Section 11(a)(1). Any nomination of a township within such zone shall be subject to the consent of the Region, or of the Village Corporation if adjacent to a Section 11(a)(1) withdrawal, *Provided, however*, That the affected Regional Corporation may designate additional lands to be included by such action in the buffer zone so long as the buffer zone location is no greater than two townships in width and the total acreage of the buffer zone is not enlarged. The affected Region shall designate the enlarged buffer zone, if any, no later than six months following the passage of this act. Any use or development by Cook Inlet Region, Inc., of land conveyed under this paragraph shall give due protection to the existing subsistence uses of such lands by the residents of the area; and no easement across Village Corporation lands to lands conveyed under this paragraph shall be established without the consent of the said Village Corporation or Corporations.

(c) The lands and interests conveyed to the Region under the foregoing subsections of this section and the lands provided by the State exchange under subsection (a)(1) of this section, shall be considered and treated as conveyances under the Alaska Native Claims Settlement Act unless otherwise provided, and shall constitute the Region's full entitlement under sections 12(c) and 14(h)(8) of the Alaska Native Claims Settlement Act. Of such lands, 3.6 townships of subsurface in the Kenai National Moose Range shall constitute the full surface and subsurface entitlement of the Region under section 14(h)(8). The lands which would comprise the difference in acreage between the lands actually conveyed under and referred to in the foregoing subsections of this section, and any final determination of what the Region's acreage rights under sections 12(c) and 14(h)(8) of the Alaska Native Claims Settlement Act would have been, if the conveyances set forth in this section to the Region had not been executed, shall be retained by the United States and shall not be available for conveyance to any regional corporation or village corporation, notwithstanding any provisions of the Alaska Native Claims Settlement Act to the contrary.

(d)(1) The Secretary shall convey to the State of Alaska, all right, title and interest of the United States in and to all of the following lands:

(i) At least 22.8 townships and no more than 27.0 townships of land from those presently withdrawn under section 17(d)(2) of the Alaska Native Claims Settlement Act in the Lake Illiamna area and within the Nushagak River or Kokwetna River drainages near lands heretofore selected by the State, the amount and identities of which shall be determined pursuant to the document referred to in subsection (b); and

(ii) Twenty-six townships of lands in the Talkeetna Mountains, Kamishak Bay, and Tuina Lake areas, the identities of which are set forth in the document referred to in subsection (b). All lands granted to the State of Alaska pursuant to this subsection shall be regarded for all purposes as if conveyed to the State under and pursuant to section 6 of the Alaska Statehood Act: *Provided, however*, that this grant of lands shall not constitute a charge against the total acreage to which the State is entitled under secion 6(b) of the Alaska Statehood Act.

(2) The Secretary is authorized and directed to convey to the State of Alaska, without consideration, all right, title and interest of the United States in and to all of that tract generally known as the Campbell Tract and more particularly identified in the document referred to in subsection (b) except for one compact unit of land which he determines, after consultation with the State of Alaska, is actually needed by the Bureau of Land Management for its present operations: *Provided*, That in no event shall the unit of land so excepted exceed 1,000 acres in size. The land authorized to be conveyed pursuant to this paragraph shall be used for public parks and recreational purposes and other compatible public purposes in accordance with the generalized land use plan outlined in the Greater Anchorage Area Borough's Far North Bicentennial Park Master Development Plan of September 1974: *Provided*, That if the land is not used for the above pur-

(Mr. MEEDS asked and was given permission to revise and extend his remarks.)

Mr. MEEDS. Mr. Speaker, the purpose of H.R. 6644, as introduced by the gentleman from Alaska (Mr. YOUNG), is to amend and supplement in certain respects the Alaska Native Claims Settlement Act of 1971 in order to resolve some inequities, some inadequacies, some oversights, and some administrative problems that have arisen since the passage of this legislation.

First, the bill would reopen the Alaska Native roll for a 1-year period of time from the passage of the act in order to enroll those Natives who failed to meet the March 31, 1973, enrollment deadline. It is estimated by the Department that there are between 1,000 and 2,000 persons who would qualify if they had the opportunity to enroll.

Second, the Secretary would be required to redetermine the place of residence of Natives who had enrolled in Native villages or groups, which Native villages or groups were later held to be ineligible as such.

Thus, these people are, in effect, without villages and without a place which they can repair to to exercise their rights under the Alaskan Native Claims Settlement Act.

Third, the Secretary is directed to establish an escrow account into which he could deposit funds earned on land withdrawn for Native selection pending issuance of patents thereon.

Next, the Native corporations would be exempt from the provisions of the Securities Act of 1933, the Securities and Exchange Act of 1934, and the Investment Company Act of 1940 until December 31, 1991.

What has happened here is that these regional corporations will be largely taking money and investing it prior to the vesting of their land rights, which will not happen, in many instances, until 1991. Therefore, they should not, at least until that time, be treated under the Securities and Exchange Acts as investment companies; and this would exclude them from that act.

Next, clarification is made that payments and grants to Natives under the act are not to be deemed as a substitute for any governmental programs that the Natives would otherwise receive or be eligible for as citizens of the United States, and that benefits received by the Natives under the act are not to be counted as income or other resources for the purposes of the food stamp program. The latter provision merely carries out the dictates of a ninth circuit court opinion just handed down recently.

Money in the Alaskan Native Fund, pending distribution, would, under the provisions of this act, be treated as trust funds for Indian tribes for investment and interest purposes.

Next, mergers of Native village corporations, which are now too small to be economically viable, with other Native village corporations or with the regional corporation in which those Native village corporations are located would be permitted under certain conditions.

The next section extends the life of the Joint Federal-State Land Use Planning Commission for a period of 3 years. This is necessary because most of the decisions which that Commission will make are yet to be made.

Next, the decision on the village of Klukwan to retain their formal reservation under section 19(b) of the act rather than share the benefits as provided otherwise in the act resulted in a severe inequity when it was discovered that the village of Klukwan really was subject to some prior existing rights which took precedence over the act. Therefore, this is necessary to give them some land.

The Regional Corp. of southeastern Alaska—Sealaska, Inc.—is given authority to select its share of the land entitlement under section 14(h)(8), which is to be divided by all of the regional corporations. It is given authority to select its entitlement from lands withdrawn for villages within southeast Alaska, but not actually selected by such villages. This really constitutes selections in the Tongass National Forest.

The severe land selection problem encountered by the Cook Inlet Native Region is in securing its land entitlement under this Act, which is resolved by providing for certain conveyance of land to the Regional Corporation from the United States and the State of Alaska. This is a very intricate arrangement and agreement which has been made by all parties, the Department of the Interior acting through Parks and BIA.

The State of Alaska is to be commended on its very forward and progressive policy with regard to this, as well as the Cook Inlet Regional Association and the other regional corporations in Alaska.

The value and shares of stock in native corporations and the right to receive dividends therefor are excluded by this legislation from being included in the gross estate of a native shareholder for Internal Revenue Code purposes.

This is in keeping with all other Indian settlements of claims and will be treated as a settlement of a claim.

Grants of $250,000 each are authorized for the Native Corporations of Juneau, Sitka, Kodiak, and Kenai, and $100,000 each for the villages of Arctic, Elim, Gambell, Savoonga, Tetlin, and Venetia for planning and development purposes.

These corporations were, by the act, excluded from monetary benefits to villages and, to use their land base, it is necessary that they have some developmental funds.

Finally, the Koniag Native regional corporation is conveyed title to approximately 166,000 acres of subsurface estate in lands which lands are proposed for inclusion in the Aniakchak Caldera National Monument.

Mr. Speaker, and Members of the House, this is a very complex and complicated piece of legislation, which deals in a great number of areas, to settle and I hope correct some of the inequities which have been discovered in the Alaska Native Claims Settlement Act of 1971. It is my hope that the House will pass this legislation because it is very badly needed in Alaska by the natives and Alaskan aliens.

Mr. YOUNG of Alaska. Mr. Speaker, will the gentleman yield?

Mr. MEEDS. I yield to the gentleman from Alaska.

(Mr. YOUNG of Alaska asked and was given permission to revise and extend his remarks.)

Mr. YOUNG of Alaska. Mr. Speaker, I would like to commend the gentleman from Washington, the chairman of our subcommittee, on working more than 2 years with this piece of legislation, even in the last session. There has been a good deal of work involved and a great deal of time and a great amount of effort spent in the hearings, listening to negotiations regarding this legislation. I think the gentleman from Washington probably understands better than any other Member the problems that are faced through the Alaska Native Claims Settlement Act. The gentleman was one of the original sponsors of the act some 4 or 5 years ago, and worked with the legislation until it passed the House.

As I say, the gentleman has great understanding of the tremendous difficulties that have been faced in the Alaska Native Claims Settlement Act. I further understand that the gentleman only wants to do that which is right for the Natives of Alaska and for the State of Alaska.

Mr. MEEDS. Mr. Speaker, I thank the gentleman from Alaska for his kind remarks and also I wish to thank the gentleman for his help for the promulgation in the subcommittee of this act and I know and respect his intense interest in and his work for the welfare of the residents of his State.

Mr. Speaker, I reserve the balance of my time.

Mr. DINGELL. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. LEGGETT).

(Mr. LEGGETT asked and was given permission to revise and extend his remarks.)

Mr. LEGGETT. Mr. Speaker, the Committee on Merchant Marine and Fisheries has asked for a sequential referral of H.R. 6644 since it involves lands within the Kenai National Moose Range, an area over which the Committee on Merchant Marine and Fisheries has jurisdiction. The letter from Chairman SULLIVAN, dated December 12, 1975, setting forth in more detail the reasons for requestion the sequential referral, will be included in the RECORD at the conclusion of my statement.

Mr. Speaker, since writing that letter it has been brought to our attention that there may be attempts to offer amendments to the bill at some point as it goes through the legislative process that would have grave impact upon Alaska units of the National Wildlife Refuge System. Should these amendments become a part of this legislation, they would result in the following objections so far as the Merchant Marine and Fisheries Committee is concerned.

First. They would establish a privileged group of natives whose eligibility to select land would be based on far less criteria than any other native organization. There would be group corporations that had filed for eligibility, but

poses it shall revert to the United States. Except as provided otherwise in this paragraph, in making the conveyance authorized and required by this paragraph, the Secretary shall utilize the procedures of the Recreation and Public Purposes Act (44 Stat. 741), as amended, and regulations developed pursuant to that Act: *Provided, however,* that the acreage limitation provided by section 1(b) of that Act, as amended by the Act of June 4, 1954 (68 Stat. 173), shall not apply to this conveyance, nor shall the lands conveyed pursuant to this paragraph be counted against that acreage limitation with respect to the State of Alaska or any subdivision thereof.

(3) The Secretary is authorized and directed to make available for selection by the State, in its discretion, under section 6 of the Alaska Statehood Act, 12.4 townships of land to be selected from lands within the Talkeetna Mountains and Keksetna River areas as described in the document referred to in subsection (b).

(e) The Secretary may, notwithstanding any other provision of law to the contrary, convey title to lands and interests in lands selected by Native corporations within the exterior boundaries of Power Site Classification 443, February 13, 1958, to such corporations, subject to the reservations required by section 24 of the Federal Power Act.

(f) All conveyances of lands made or to be made by the State of Alaska in satisfaction of the terms and conditions of the document referred to in subsection (b) of this section shall pass all of the State's right, title, and interest in such lands, including the minerals therein, as if those conveyances were made pursuant to section 22(f) of the Alaska Native Claims Settlement Act, except that dedicated or platted section line easements and highway and other rights-of-way may be reserved to the State.

(g) The Secretary through the National Park Services, shall provide financial assistance, not to exceed $25,000, hereby authorized to be appropriated, and technical assistance to the Region for the purpose of developing and implementing a land-use plan for the West side of Cook Inlet, including an analysis of alternative uses of such lands.

(h) Village corporations within the Cook Inlet Region shall have until December 18, 1970, to file selections under section 12(b) of the Alaska Native Claims Settlement Act, notwithstanding any provision of that act to the contrary.

(i) The Secretary shall report to the Congress by April 15, 1970, on the implementation of this section. If the State fails to agree to engage in a transfer with the Federal Government, pursuant to subsection (a)(1), the Secretary shall prior to December 18, 1970, make no conveyance of the lands that were to be conveyed to the Region in this section, nor shall he convey prior to such date the Point Campbell, Point Woronzof and Campbell tracts, so that the Congress is not precluded from fashioning an appropriate remedy. In the event that the State fails to agree as aforesaid, all rights of the Region that may have been extinguished by this section shall be restored.

Sec. 13. Section 21 of the Alaska Native Claims Settlement Act of December 18, 1971 (85 Stat. 688), is hereby amended by adding the following subsection at the end thereof:

"(i) Until January 1, 1992, stock of any Regional Corporation organized pursuant to section 7, including the right to receive distributions under subsection 7(j), and stock of any Village Corporation organized pursuant to section 8 shall not be includable in the gross estate of a decedent under sections 2031 and 2033 of the Internal Revenue Code.".

Sec. 14. (a) The Secretary shall pay, by $250,000 to each of the corporations established pursuant to section 14(h)(3) of the Settlement Act.

(b) The Secretary shall pay, by grant, $100,000 to each of the following Village Corporations:

(1) Arctic Village;
(2) Eliot;
(3) Gambell;
(4) Savoonga;
(5) Tetlin; and
(6) Venetie.

(c) Funds authorized under this section may be used only for planning, development, and other purposes for which the corporations set forth in subsections (a) and (b) are organized under the Settlement Act.

(d) There is authorized to be appropriated to the Secretary for the purpose of this section a sum of $1,000,000 in fiscal year 1976.

Sec. 15(a). The Secretary shall convey under sections 12(a)(1) and 14(f) of the Settlement Act to Koniag, Incorporated, a Regional Corporation established pursuant to section 7 of said Act, such of the subsurface estate, other than title to or the right to remove gravel and common varieties of minerals and materials, as is selected by said corporation from lands withdrawn by Public Land Order 5187 for identification for selection by it located in the following described area:

T 30 S, R 62 W
T 37 S, R 51 W
T 37 S, R 52 W

T 37 S, R 53 W, sec. 1-4, 9-12, 13-16, 21-24, north ½ of 25-28
T 38 S, R 51 W, sec. 1-5, 9, 10, 12, 13, 18, 24, 25
T 38 S, R 52 W, Sec. 1-36
T 38 S, R 53 W, sec. 1, 12, 13, 24, 25, 36
T 39 S, R 51 W, Sec. 6, 7, 16-21, 29-33
T 39 S, R 52 W sec. 1, 2, 11, 12, 13-16, 21-24
T 39 S, R 53 W sec 25 31-36
T 40 S, R 50 W, all except sec. 27, 28-33.
T 40 S, R 49 W, all except sec. 35 and 36.
T 41 S, R 52 W, Sec. 4, 8-15.
T 41 S, R 54 W, sec. 3.
T 41 S, R 53 W, sec. 1, 2, 11, 12, 13.

Notwithstanding the withdrawal of such lands by Public Land Order 5179 as amended, pursuant to section 17(d)(2) of the Settlement Act: *Provided,* That notwithstanding the future designation by Congress as part of the National Park System or other national land system referred to in section 17(d)(2)(A) of the Settlement Act of the surface estate overlying any subsurface estate conveyed as provided in this section, held with or without such designation, Koniag, Incorporated, shall have such use of the surface estate including such right of access thereto, as is reasonably necessary to the exploration for and the removal of oil and gas from said subsurface estate, subject to such regulations by the Secretary as are necessary to protect the ecology from permanent harm.

The United States shall make available to Koniag, its successors and assigns, sand and gravel as is reasonably necessary for the construction of facilities and rights of way appurtenant to the exercise of the rights conveyed under this section, pursuant to the provisions of 30 U.S.C. 601 et seq., and the regulations implementing that statute which are then in effect.

(b) The subsurface estate in all lands other than those described in subsection (a) within the Koniag Region and withdrawn under section 17(d)(2)(c) of the Settlement Act, shall not be available for selection by Koniag Region, Incorporated.

Sec. 16. Within ninety (90) days after the date of enactment of this Act, the corporation created by the enrolled residents of the Village of Tatitlek may file selections upon any of the following described lands: Copper River Meridian

Township	Range	Section
9S	3E	23, 26, 31–35
10S	3E	2–27, 34–36
11S	4E	5, 6, 8, 9, 16, 17, 20–22, 27–29, 33–35
9S	3E	3–6, 9–11
9S	3E	14–16, 21, 22, 27, 28

The Secretary shall receive and adjudicate such selections as though they were timely filed pursuant to section 12(a) or 12(b) of the Alaska Native Claims Settlement Act (85 Stat. 688) and were withdrawn pursuant to section 11 of that Act.

The Secretary shall convey such lands selected pursuant to this authorization which otherwise comply with the applicable statutes and regulations. This section shall not be construed to increase the entitlement of the corporation of the enrolled residents of Tatitlek or to increase the amount of land that may be selected from the national forests system. The subsurface of any land selected pursuant to this section shall be conveyed to the Regional Corporation for the Chugach Region pursuant to section 14(f) of the Alaska Native Claims Settlement Act.

Sec. 17. Section 22(f) of the Alaska Native Claims Settlement Act is amended to provide as follows:

(f) the Secretary, the Secretary of Defense, the Secretary of Agriculture, and the State of Alaska are authorized to exchange lands or interests therein, including Native selection rights, with the Group Corporations, Village Corporations, Regional Corporations, the Native Corporations for the cities of Juneau, Sitka, Kodiak, and Kenai, other municipalities and corporations or individuals, the State (acting free of the restrictions of section 6(i) of the Alaska Statehood Act), or any Federal agency for the purpose of effecting land consolidations or to facilitate the management or development of the land, or for other public purposes. Exchanges shall be on the basis of equal value, and either party to the exchange may pay or accept cash in order to equalize the value of the property exchanged: *Provided,* That when the parties agree to an exchange and the Secretary determines it is in the public interest, such exchanges may be made for other than equal value.

Sec. 18. Except as specifically provided in this Act, (i) the provisions of the Settlement Act are fully applicable to this Act, and (ii) nothing in this Act shall be construed to alter or amend any of such provisions.

The SPEAKER. Is a second demanded?

Mr. DINGELL. Mr. Speaker, I demand a second.

The SPEAKER. Does any Member from the minority side demand a second?

Mr. YOUNG of Alaska. Mr. Speaker, I demand a second, but I am in favor of the bill.

Mr. DINGELL. Mr. Speaker, I am opposed to the bill.

The SPEAKER. The gentleman qualifies.

Mr. DINGELL. Mr. Speaker, I will say to my good friend, the gentleman from Alaska (Mr. YOUNG), that I will yield him such time as he might need on the bill.

Mr. MEEDS. Mr. Speaker, I yield myself such time as I may consume.

which had been found ineligible as village corporations.

Second. They would allow nonresident native groups to be eligible to select substantial tracts of land in any area they may choose even though they may have no immediate history of past use or need related to those areas. In certain cases, these lands could be removed from areas within the National Wildlife Refuge System.

Third. They would encourage a proliferation of the concept of native groups to the point that other native entities might receive less lands than now contemplated under the act. This proliferation, in all likelihood, would lead to further selection of refuge lands which was not intended under the act when it became public law.

Fourth. They would have the effect of removing the flexibility vested in the Secretary in particular as this discretion relates to the use of refuge land claims by native groups. In other words, the Secretary would have to use refuge lands in the satisfaction of these claims if they were the nearest available lands to the locale whereas under the act, as it presently exists, the Secretary has an option of not allowing the use of these lands in satisfying such claims whenever the public interest requires him not to do so.

Mr. Speaker, because of this additional information that has been brought to our attention and with a view toward allowing H.R. 6341 to go forward as reported by the Committee on Interior and Insular Affairs since it appears to be meritorious, Chairman SULLIVAN and I, on behalf of the Committee on Merchant Marine and Fisheries, have agreed to withdraw the request of the committee for a sequential referral of H.R. 6644.

I have some concern that affects committee jurisdiction—I hope the gentleman will agree with me that the units of the National Wildlife Refuge System come under the jurisdiction of the Committee on Merchant Marine and Fisheries and that the Committee on Interior and Insular Affairs receives no jurisdiction over any of these areas as a result of this legislation.

I hope the gentleman will agree with me that any amendments that may be offered to this legislation that may have an impact on any units within the National Wildlife Refuge System or that may impact on the subject matter of H.R. 6089, a bill that has been jointly referred to the Committee on Merchant Marine and Fisheries and the Committee on Interior and Insular Affairs, which presents the administration's recommendations as to how the 80 million acres in Federal ownership in the State of Alaska should be divided among the National Wildlife Refuge, the National Park, the National Forest, and the National Wild and Scenic River Systems, will not be accepted by the gentleman of the Committee on Interior and Insular Affairs.

I hope the gentleman will agree with me that any amendments offered to this bill along the nature I have just enumerated would not appear to be germane and should be the subject matter of separate legislation which would be jointly or sequentially referred, as the case may be, to the two committees for consideration.

The letter follows:

DECEMBER 12, 1975.

Hon. CARL ALBERT,
Speaker of the House,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: It has been brought to my attention that the Interior and Insular Affairs Committee has ordered reported H.R. 6344, with amendments, a bill having to do with an agreement to divide certain lands in the State of Alaska pursuant to the Alaska Native Claims Settlement Act.

It is my understanding that in perfecting the agreement called for by the legislation, approximately 10,000 acres of lands within the Kenai National Moose Range, a unit of the National Wildlife Refuge System, will be conveyed by the Secretary of the Interior in fee title to the Cook Inlet Region, Inc., In addition, the legislation would allow the Cook Inlet Region, Inc., to select oil and gas rights on certain lands within the range up to approximately 200,000 acres.

As you are aware, pursuant to the Rules of the House, the Committee on Merchant Marine and Fisheries has jurisdiction over National wildlife refuges and all units of the National Wildlife Refuge System. A portion of the legislation, as ordered reported, therefore, would involve lands over which my Committee on Merchant Marine and Fisheries has jurisdiction.

It is my further understanding that certain portions of H.R. 6644 would have an impact on the 80 million acres owned by the Federal Government which is the subject of legislation jointly referred to the Committee on Merchant Marine and Fisheries and the Committee on Interior and Insular Affairs in the form of H.R. 6089, which provides for the division of the lands among the National Wildlife Refuge System, the National Forest System, the National Park System, and the National Wild and Scenic River System.

In view of the foregoing, I would like to request that H.R. 6644 be sequentially referred to the Committee on Merchant Marine and Fisheries for consideration of the matters contained therein that are subject to, or will affect, the jurisdiction of my Committee.

LEONOR K. (MRS. JOHN B.) SULLIVAN,
Chairman.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. DINGELL. Mr. Speaker, I yield 3 additional minutes to the gentleman from California.

Mr. LEGGETT. I would like to ask the Chairman of the subcommittee: Does he agree with the concept as specified in the Rules of the House that the jurisdiction over units of the National Wildlife Refuge System lies in the Committee on Merchant Marine and Fisheries?

Mr. MEEDS. Mr. Speaker, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Washington.

Mr. MEEDS. I thank the gentleman for yielding.

Let me answer the gentleman by saying that it is not the intent of this committee to in any way change the jurisdiction as it is decided by the House of Representatives by this amendment which we have before us today. The authority for those portions of the amendments dealing with Native claims on refuges comes clearly from the Alaskan Native Claims Act of 1971, Section 12(a)(1), in which it sets out that there is a right of withdrawal and Native selection in National Wildlife Refuges under certain circumstances. It is not our intent to try to enlarge that jurisdiction in any way or to try to diminish the gentleman's jurisdiction, which we recognize, but only to assert jurisdiction given by the 1971 Act.

Mr. LEGGETT. I am sure the gentleman recognizes that it is possible that amendments might be made that would have the effect of enlarging that Act's jurisdiction.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

I am troubled. I get the impression that the gentleman from Washington is differing with the Rules of the House which set out quite clearly that the Committee on Merchant Marine and Fisheries has jurisdiction over the question of the boundaries and the management and the administration of the Refuge System. If I am in error, I would appreciate his correcting me, because I have trouble on this point.

Mr. MEEDS. Mr. Speaker, will the gentleman yield so that I may respond?

Mr. LEGGETT. I yield to the gentleman from Washington.

Mr. MEEDS. The gentleman is seldom in error but if he is saying that the Subcommittee on Indian Affairs and the Committee on Interior and Insular Affairs do not have exclusive jurisdiction for the purpose of settling the Alaskan Native land claims, then I have to disagree with him.

Mr. DINGELL. Then I suggest the gentleman had better disagree with me because the hard fact is the rules of the House are very clear as to which committee has jurisdiction over the refuges. If the gentleman has a quarrel with the rules of the House I think he can proceed on that separately, but I think this legislation speaks for itself.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. DINGELL. I yield the gentleman from California 4 additional minutes.

Mr. LEGGETT. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, I think that given the set of circumstances we have, the questions relating to sequential and joint referral of matters are fairly well known. Is the gentleman intending to proceed on boundaries and settlement of refugees without reference to this committee in the future?

Mr. MEEDS. If the gentleman will yield, I have privately apologized and I now apologize to the gentleman for not having contacted him and indicating to the chairman of the Subcommittee on Fisheries and Wildlife the progress of this legislation. I would certainly not do that in the future, but that is not going to the question of jurisdiction. This would be a courtesy which I think I should extend.

Mr. DINGELL. I am, of course, grateful for all courtesies extended to me, but I

am much more prickly with regard to protection of the rights of the subcommittee and the question of protection of the boundaries of the refuges.

I am curious. Can the gentleman answer some other questions. I observe here that the bill extends the time for filing of Native land claims for a period of an additional year. Can the gentleman tell us what that means? How many more Natives will file on what areas and what kind of notice will that involve?

Mr. MEEDS. The bill does not extend time for Native land claims. It extends the time for enrollment of natives under the Alaskan Native land claims for 1 year.

There are also prohibitions against that additional enrollment creating any additional rights for the Natives. The land selection will not be enlarged by the addition to the rolls.

Mr. DINGELL. Will that make possible additional villages having rights under the Claims Act?

Mr. MEEDS. It in no way changes the rights that already exist. If there was no right to establishment of villages the addition of these people by enrollment will not change those rights a bit.

Mr. DINGELL. I appreciate the gentleman advising me on that. That is a matter of great comfort.

Mr. LEGGETT. I would like to ask this additional question of the gentleman. We are concerned that the refugees of the country might be bartered away in settlement of the Native land claims. Obviously, there are some restrictions in the Native land claims bill. Obviously, the gentleman is aware of the fact that we have had jointly referred to our two committees H.R. 6089, which will divide among four separate federal systems some 80 million acres of Alaska lands and we have some general targets of how we want to apportion that land. I would hope the gentleman would not exercise the largesse of his subcommittee so greatly that this bill might become moot. We do intend to apportion under H.R. 6089 the 80 million acres of land and we hope that land would be there when it comes time to apportion it, so while we are dealing here in this bill with some 10,000 acres of the Kenai Range and some mineral rights on other portions of that range, I would hope we would not have this legislation effervesce into all aspects of the Alaskan problem.

Mr. MEEDS. Mr. Speaker, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Washington.

Mr. MEEDS. Mr. Speaker, I am delighted to give the gentleman some comfort and let the gentleman know that 80 million acres has already been withdrawn.

The gentleman is speaking of the Kenai National Moose Range?

Mr. LEGGETT. The Kenai National Moose Range has been withdrawn; but the gentleman is being fast and loose with the Kenai settlement. What we are concerned with is that the gentleman will use the withdrawn acreage as a future settlement and I would like the gentleman's assurance that will not occur.

Mr. MEEDS. The U.S. Fish and Wildlife Service supports the agreement involving the Kenai National Moose Range. That is contained in this legislation.

Mr. LEGGETT. I understand that.

Mr. MEEDS. They worked very closely on it. I commend them for their efforts to solve a very difficult and thorny problem. Indeed, I think it will be better for them having solved it this way. It will stave off a larger Cook Inlet claim in the future.

Mr. LEGGETT. Can I have some assurance that the position of the gentleman with respect to using this legislation as a Christmas tree for further refuge and potential refuge gifts to the Natives of Alaska will not occur without the necessity of appearing in our Fish and Wildlife Committee?

Mr. MEEDS. In view of the time of the year, Christmas and all, I am inclined to say that I would not be a Santa Claus in any event to something to which I did not think the Natives were entitled.

(Mr. LEGGETT asked and was given permission to revise and extend his remarks.)

Mr. DINGELL. Mr. Speaker, I yield 5 minutes to the gentleman from Alaska (Mr. Young).

(Mr. YOUNG of Alaska asked and was given permission to revise and extend his remarks.)

Mr. YOUNG of Alaska. Mr. Speaker, I would like to commend again the chairman of the subcommittee and those Members that are asking questions, as I serve on both committees. Members can be assured, as I serve on both committees, that there is no damage done or intrusion of the rights of either committee. This legislation is legislation that has been in the works for approximately 2 years. It has been thoroughly studied by the Department. There is no complete agreement within the Department of the Interior, but the majority of the Department of the Interior does support the concept of this bill.

The one part that does give the gentleman from Michigan problems was clearly scrutinized by the parks and refuge Nelsen people and the Secretary of that Department and they have reached agreement with the State and the corporations and the Interior Department and actually the boroughs, because they were all involved.

This Congress passed a very complex piece of legislation, a piece of legislation that many people thought would not work because there was a short time in which to work with the native people of Alaska, but they have done so. There is an attempt in this legislation to make sure that the intent of Congress is followed through. I can give many examples, as the chairman did, but I will not repeat them; but I will say that if this legislation is not passed, the fulfillment of the act itself will never be fulfilled. The exchange of land by the State to the Interior Department and the corporations, especially the Kenai National Moose Range, is a workable method by which we can make sure of the wise and sound development in the State of Alaska and the Federal involvement in Alaska takes place.

I can again say that it has been a pleasure to work with all those people representing the State of Alaska and the Members of this committee. I can only say I hope that this body in its wisdom passes this very important piece of legislation, so those people who are truly the first Americans on this continent, the Alaskan Natives of Alaska, can enjoy what this Congress said was theirs.

Mr. Speaker, this bill H.R. 6644 contains a package of amendments to Alaska Native Claims Settlement Act of 1971. As my distinguished colleague and chairman of the Subcommittee on Indian Affairs, the gentleman from Washington (Mr. MEEDS) has indicated, the purpose of that settlement was to settle the just claims of Alaska Natives to lands in Alaska. In short, the settlement confirmed Native title to 40 million acres of land and provided $962.5 million as compensation for the extinguishment of all other Native land claims. Half of the money is being appropriated by Congress over an 11-year period, and the remainder is to come from revenues accruing to the United States and the State of Alaska from mineral leases on public lands in the State.

The act provided for the establishment of a roll of all Natives eligible to participate in the settlement; for the selection of land by the Natives, and for the creation of a system of regional and village Native corporations to manage the lands and to administer the funds for the benefit of their Native shareholders.

Not surprisingly, implementation of this major legislation, which deals with a broad range of problems and conflicting interests, has resulted in conflicts and controversies over the meaning and intent of various provisions. The Department of the Interior in particular has often interpreted provisions of the law to the detriment of the Natives for whom the act was intended to benefit. This has frequently led to litigation on which the Natives have had to spend much of their claims compensation.

The essential purpose of H.R. 6644 is to eliminate certain troublesome ambiguities in the Settlement Act and to provide for the resolution of various problems which have arisen in its implementation. I would like to emphasize that this legislation is strongly supported by Alaska Natives, whose representatives have worked long and hard in shaping its provisions.

Section 1 of the bill seeks to insure that Natives in three different situations will not be denied benefits they are entitled to because of administrative obstacles.

LATE ENROLLMENTS

First, it provides for the roll of Alaska Natives to be reopened for 1 year to enroll those Natives who failed to meet the March 30, 1973, enrollment deadline. More than 800 Natives who filed after the deadline had their applications summarily denied and others did not file at all after learning it was too late. While the deadline may have been a necessary administrative tool, it should not be allowed to prevent otherwise eligible Natives from sharing in the settlement. This

provision assures such Natives of one final opportunity to participate in the act's benefits.

GROUPS ON RESERVE LANDS

Second, this section provides that Natives enrolled to groups living on former reserve lands will not be denied benefits under the act. When, for example, the village corporations of Gambell and Savoonga on St. Lawrence Island elected to retain their former reserve lands, they thereby pre-empted all available lands on the island. This left some 30 Natives enrolled to groups on the island without land to select and thus excluded them from benefits under the act. This provision gives those Natives and any others similarly situated the option to enroll either in a reserve corporation or to become at-large regional stockholders.

REDETERMINATION OF RESIDENCE

The third provision in this section concerns a situation in which certain Natives are being treated as both residents and nonresidents of the same place and, as a result, are denied rights to membership in Native corporations which qualify for benefits under the act. In addition to receiving rights to benefits as individuals, Natives have rights to membership in village corporations. This valuable right is determined by a Native's place of residence as shown on the official roll. To be eligible for benefits as a village, a place had to have at least 25 eligible Natives enrolled to it who resided there as of April 1, 1970. Some places, originally found eligible as villages, were later determined ineligible.

Consequently, unless their places of residence are changed on the roll, some Natives carried on the roll as residents of will suffer from the anomaly of places of which they are not residents for the purpose of membership in a Native corporation. This section directs the Secretary of the Interior to redetermine the places of residence of such Natives. In some cases this will result in no change; however, redeterminations of residence may also result in the placing of some of these Natives in villages or groups the corporations of which receive benefits under the Settlement Act.

ESCROW ACCOUNT

Section 2 of H.R. 6644 authorizes the Secretary of the Interior to establish an interest-bearing escrow account for the proceeds from contracts, leases permits, rights-of-way, or easements on Federal lands withdrawn for Native selection pursuant to ANCSA. Funds are to be paid to the person or entity receiving title to the lands at the time of conveyance. This is a housekeeping measure made necessary by bureaucratic delays between selection of land and conveyance of title. Without this authority, the funds generated on Federal lands must be deposited in the U.S. Treasury until title passes, despite the fact that such lands may have been selected by a Native corporation. The corporations are thus denied a significant asset which they would be entitled to receive but for the existence of problems beyond their control—delays in conveying the selected land and lack of authority to protect Native proceeds in the interim.

EASEMENTS

Another housekeeping provision of this section relates to public easements reserved in any conveyance pursuant to section 17(b)(3) of the Settlement Act. Many of the actions arising from these reserved easements may not be performed until years after the conveyance has been issued. Although the reservation would have been made in the conveyance, this section insures that proceeds derived from their (often 17(b)(3) reserved easements at any time after conveyance has been issued will be paid to the grantee of such conveyance in accordance with the grantee's proportionate share. The Department of the Interior believes it would be administratively prohibitive to distribute the income to the owners of the land covered by the easement reservation without the certainty provided by this section.

SECURITIES ACT EXEMPTION

Section 3 of the bill exempts all Settlement Act corporations from the Securities Acts of 1933, 1934, and 1940 through December 31, 1991. These acts are basically designed to inform shareholders, the SEC and the investing public as to the securities and actions of publicly traded companies. For this purpose they require extensive registration and reporting; however, Native corporations which have attempted to comply with these requirements have found it to be a costly process which results in highly technical data incomprehensible to the average Native stockholders and thus of little benefit for the cost. Natives' stock in their corporations is inalienable until January 1991. The corporations are subject to the securities acts and corporate laws of the State of Alaska which require filing of annual reports similar to those required by the Federal securities acts.

In addition, the corporations must file annual audits with the Secretary of the Interior. This section is therefore intended to relieve the Native corporations of the costly and unnecessarily burdensome requirements of these Federal securities acts until such time the stock becomes alienable and the companies no longer are protected under the provisions of the Settlement Act.

FOOD STAMPS

Section 4 of the bill exempts benefits received by any member of a Native household under the Settlement Act from being used in a determination of that individual's eligibility to participate in the food stamp program. This section thus legislatively reinforces a 1975 ninth circuit court of appeals decision in the case of Hamilton against Butz, which prohibited the Secretary of Agriculture from considering funds paid to Natives under the Settlement Act as "resources" available to Native households in determining eligibility for the food stamp program.

In March, 1974, the State of Alaska concluded that under section 2(c) of the Settlement Act, which provided that "no provision of this act shall replace or diminish any right, privilege, or obligation of Natives as citizens of the United States or of Alaska, or relieve, replace, or diminish any obligation of the United States or of the State of Alaska to protect and promote the rights or welfare of Natives as citizens of the United States or Alaska "payments to Natives were to be disregarded in considering income for food stamps. Also in March of 1974, the Department of Health, Education, and Welfare concluded that such payments were to be disregarded in determining eligibility for the aid to families with dependent children and supplemental security income programs.

However, the Agriculture Department, interpreting the same language, concluded that such payments should be considered as income for purposes of the food stamp program, primarily because the act did not specifically require such payments to be disregarded for the food stamp program. This section affirms the Natives' right not to have funds paid to them in settlement of an aboriginal claim or diminish their right as citizens to receive benefits under governmental programs.

ALASKA NATIVE FUND

The fifth section of H.R. 6644 provides for the payment of interest on the Alaska Native Fund pending quarterly distributions. For this purpose only the fund is to be considered as a trust fund held by the United States for the benefit of Indian tribes.

Since 1929, under Federal law, all Indian trust fund accounts containing more than $500 earned interest at a rate of 4 percent per annum, and since 1978 the Secretary of the Interior has been permitted to withdraw such funds from the Treasury for alternative investment. Under an October 1972 ruling by the Comptroller General, these laws applied to the Alaska Native Fund until the final role of Alaska Natives was completed on December 31, 1973.

However, at that time the Comptroller ruled that the fund would no longer bear interest or be eligible for investment by the Secretary. The effect of this ruling is that funds appropriated under the Settlement Act may remain idle for up to 3 months without payment of any interest to the Natives. The United States in effect can use these funds as an interest-free loan during that period to offset other obligations. The quarterly distribution schedule, which was set up to avoid administrative inconvenience, was not intended to permit the United States to use the Natives' fund during the interim. These funds are, in substance, the property of the Natives from the date of enactment of the appropriations bill.

Under the provisions of this section, the Alaska Native Fund would be restored to the status it held under the Comptroller General's ruling of October 1972, and his ruling of December 20, 1973, would be reversed.

MERGER AUTHORITY

Section 6 amends the Settlement Act to provide authority for mergers or consolidations among Native corporations within the same region. This authority

is required because ANCSA prohibits for 20 years the sale or other alienation of corporation stock except under limited circumstances which do not include alienation for the purpose of merger or consolidation.

Many of the more than 200 village corporations lack the financial wherewithal and trained manpower they need to become economically viable entities. They currently receive distributions from the appropriate regional corporation and will derive money from the development of their surface estates. However, since many village corporations have relatively few shareholders, their monetary allocations from the region may be quite small.

Moreover, if they do not have lands with recreational, timber, or other surface potential they will derive little income from this ownership. In addition, many village corporations in the remote areas of Alaska do not now possess a trained leadership group, and it is unlikely that they will be able to develop one or to hire needed personnel in the foreseeable future.

For these reasons, it is likely that many village corporations will fail if merger authority is not provided. This would frustrate the purposes of the Settlement Act, by denying Natives the opportunity to participate in its benefits and by possibly leading to Native corporations losing the use and control of their land. A lack of sufficient cashflow to a failing corporation might require the hasty and undesired development of those natural resources which a corporation does possess, and such development could seriously jeopardize Native culture.

LAND USE COMMISSION

Section 7 of H.R. 6644 extends the life of the Joint Federal-State Land Use Planning Commission for Alaska until June 30, 1979. The Commission, created pursuant to section 17 of ANCSA, was established to provide Congress, the State of Alaska and the Native people with independent information and advice concerning a wide variety of land use issues involved in the implementation of the Settlement Act.

The Commission is currently scheduled to go out of business in December 1976. However, State, Federal, and Native officials are unanimous in their support for extending the life of the Commission past that date so that it may continue its invaluable work. That work has included extensive socioeconomic, management, and land use studies and recommendations. Well after its current expiration date the Commission could be expected to be continuing its work regarding proposals for the four national land use systems provided in section 17(d)(2) of ANCSA. Congress has until December 1978 to take final legislative action on these proposals, and it is only logical that the Commission's expertise be available through that time. Also, the State of Alaska, which will be selecting some 30 million acres of land under the Statehood Act, has asked the Commission to make recommendations respecting the use and classification of the State public domain.

Clearly there is a continuing need for the type of work which the Commission is uniquely qualified to perform. It is a model of intergovernmental coordination and cooperation which should be retained for at least the additional 2½ years which this amendment provides.

13TH REGION

Section 8 of H.R. 6644 includes technical amendments which facilitate the implementation of an October 1975 U.S. district court order which provided for the creation of a 13th regional corporation for nonresident Alaska Natives. These amendments provide: First, that changes in enrollment resulting from establishment of the 13th region will not affect regional or village land entitlements; second, that stock may be cancelled and reissued pursuant to the court's order without liability to any affected corporation or the individual whose stock is so affected, and, third, that in the event the Alaska Native roll is reopened pursuant to section one of this bill, a nonresident Alaska Native must elect whether to enroll in the 13th region or to the appropriation Alaska regional corporation.

A further amendment in this section provides that any disenrollment of Natives under recent Department regulations will not affect regional or village land entitlements under ANCSA. This latter provision bars any possibility that a village or region having the minimum number of shareholders for its existing entitlement could lose an entire township if only one of their shareholders were successfully challenged and disenrolled.

KLUKWAN

Section 9 amends section 16 of ANCSA to allow the shareholders of the village of Klukwan, Inc., to participate in the act's benefits, including selection of land, as if they had not elected to acquire title to their former reserve.

Klukwan's shareholders elected to acquire title to the surface and subsurface estate of its former reserve under section 19(b) of the act. The major element of value of the reserve is a mineral lease negotiated by Chilkat Indian Village, Inc. At the time Klukwan voted to take title to the reserve, it was assumed that the interest in the lease would pass to Klukwan, Inc. when the reserve was formally extinguished. This later turned out not to be the case, and the benefits of the lease remain limited to the members of Chilkat, Inc.

Though all of Chilkat's members belong to Klukwan, the reverse is not true, which means that under current circumstances, approximately 150 members of Klukwan who do not belong to Chilkat cannot benefit from either the lease or the Settlement Act. This provision remedies their predicament by providing for Klukwan to select its acreage entitlement from lands originally withdrawn for its selection, and to allow the shareholders to participate fully in the Settlement Act's benefits to the extent they would have had had they not elected to acquire title to their former reserve in the first place.

SEALASKA LAND SELECTION

Section 10 of H.R. 6644 amends section 10(b) of ANCSA to provide for selection of Sealaska Regional corporation of its section 14(h)(8) land entitlement from lands withdrawn for village selections under section 16 but not selected by the villages. Sealaska is specifically barred from selecting lands on Admiralty Island and cannot select from certain environmentally critical areas in the Saxman and Yakutat withdrawal areas without the consent of the Governor of Alaska.

This section embodies a compromise negotiated and supported by Sealaska, the State of Alaska, Native villages in the region and various environmental groups. It was necessitated by the fact that nearly all the land in southeast Alaska is either within a national monument or national forest. Most of the remaining area, from within which Sealaska would otherwise have had to make its only land selections, are in remote areas of the region and of little, if any, economic value. Since a key factor in the corporations long term survival as a profit-making enterprise is the successful management of its land resources, it was imperative that Sealaska be able to select lands with economic potential.

Under the terms of this section, the corporation will be able to select such lands in areas generally contiguous to existing village selections, thus providing for large and more efficient Native land management units. The State's interests in lands on Admiralty Island which it may select for park and recreational areas are protected. The concerns of the State, Natives on Admiralty Island and environmental groups regarding potential commercial development are similarly protected by the ban on selections by Sealaska on the island.

SEALASKA CHUGACH BOUNDARY

Section 11 settles a boundary dispute between Sealaska and Chugach regions by amending section 7(a) of ANCSA to fix their mutual boundary at the 141st meridian. It further provides that Natives enrolled to the village of Yakutat in the Sealaska region shall be accorded rights and privileges of traditional uses of the lands in the vicinity of Icy Bay in the Chugach region, such uses including, but not limited to, subsistence hunting, fishing, and gathering. These provisions are supported by both regions as a fair and equitable solution to their dispute.

COOK INLET SELECTIONS

Section 12 provides for a resolution of the complex land selection problems of Cook Inlet Region, Inc., whose boundaries encompass the city of Anchorage and extensive Federal and State landholdings. After lengthy negotiations, the State, the Interior Department, Cook Inlet, and adjoining regions recently concluded an agreement providing for Cook Inlet's land selections. The terms of the agreement, set forth in a 25-page document incorporated by reference into this

bill, call for the United States to convey interests in certain lands in and around the region to the State and to the region, and for the State to convey to the Federal Government certain State lands for conveyance to Cook Inlet Region.

In addition, the region will be able to select a portion of its lands from within the five adjoining regions, subject to their consent. Under this arrangement, Cook Inlet will receive some lands with economic development potential, and some of its coastal villages which had to select deficiency lands in far-off mountains will instead receive former State lands contiguous to their boundaries.

If the Alaska State Legislature ratifies this agreement, as it must do for it to take effect, then the State will acquire title to valuable lands in and around Anchorage. These will include the Campbell tract, also known as Campbell airstrip which will be conveyed subject only to the condition that it be used for public parks and recreational purposes. This is especially valuable land, since it is located near where more than one-half of the State's population resides. In addition to the Campbell tract, lands within the Point Woronzof, Point Campbell, and Goose Lake tracts will be reserved by the United States for early conveyance to the State. The Federal Government, on the other hand, will acquire lands considered critical to the proposed Lake Clark National Park.

This agreement is a milestone in that it provides for the resolution of one of the most difficult and complex problems involved in the implementation of the settlement Act. I wish to congratulate and commend the negotiators for the many hours of arduous work which went into producing this agreement. As I indicated earlier, the Alaska State Legislature must approve the terms of this agreement for it to take effect. I am hopeful that the members of the legislature will view this agreement, which carefully balances so many interests, as a fair and honorable settlement, and I urge my former colleagues in the legislature to give it prompt consideration and approval.

ESTATE TAXATION

Section 13 of this bill adds a new subsection to section 21 of ANCSA to provide that the stock of any regional or village corporation organized under the act shall not be includible in the gross estate of a decedent under sections 2031 and 2033 of the Internal Revenue Code until January 1, 1991. Section 21 provides that shares of Native stock are not subject to any form of Federal, State, or local taxation. This additional language specifically prevents the Internal Revenue Service from including the value of Native stock, which may be incalculable until 1991, in a decedent's estate for tax purposes. As such, this section is intended to preclude unnecessary litigation of the issue.

STARTUP PAYMENTS

Section 14 provides startup payments to 10 Native corporations which received land benefits but no funds under the Settlement Act. Corporations for Natives in the urban centers of Kenai, Kodiak, Juneau, and Sitka have only a single potential asset—23,040 acres they each will receive under section 14(h)(3) of ANCSA to be put to income-producing use. Although members of these corporations are stockholders in their respective regional corporations, the four corporations are not themselves recipients of funds under the act.

They are, however, incurring expenses in organizing and operating themselves, making land selections, and engaging in appropriate and necessary planning. Understandably, they are reluctant to borrow on the security of future land uses, and financial institutions are equally reluctant to advance funds on any other basis. In addition, meeting the terms of financial institutions automatically places the corporations in a situation in which the need is felt to make immediate use of land to satisfy creditors, thereby precluding the consideration of all development alternatives. This section provides for a one-time payment of $250,000 to each of these four named corporations, to be used only for planning, development, and other purposes for which corporations are organized under the act.

Under section 19 of ANCSA, Native reserves in Alaska established prior to the enactment of the act were revoked, with the exception of the Annette Island Reserve. Members of village corporations formed in the area of each reserve were given the opportunity to hold an election to decide whether they wished to acquire title to the surface and subsurface estate of the former reserve or to acquire benefits normally accorded to a village corporation established under the act. Seven villages chose to retain their reserve status and as such are not eligible to select other land under the act or receive distributions of regional corporation funds, and the members thereof are not stockholders in their respective regional corporations.

Thus, like the four urban corporations, the reserve corporations have only one asset—their land which, unlike the four urban corporations, is already selected. Under these circumstances, the reserve corporations' need for startup funds to plan their land is less than that of the named corporations which must both select and plan their land. Therefore, a smaller one-time payment of $100,000 is authorized to each of the reserve corporations other than Klukwan, Inc.; namely, Arctic Village, Ellu, Gambell, Savoonga, Teller, and Venetie.

KONIAG LAND SELECTION

Section 15 of H.R. 6644 deals with the land selection problems of the regional corporation for Koniag region. Most of the land area within this region is within the Chugach National Forest or the Kodiak National Wildlife Refuge. Consequently, the region has a subsurface in lieu land entitlement of more than 300,000 acres. However, the only nearby available land lies more than 50 miles away across Shelikof Strait, on the Alaska Peninsula. The Interior Department recognized Koniag's deficiency problem in its environmental impact statement on the proposed Aniakchak Caldera National Monument on the peninsula, and provided for dual withdrawals within the area. Section 15 directs the Secretary of the Interior to convey to Koniag regional corporation the subsurface estate to approximately 105,000 acres of land within the proposed monument. Interior, the State of Alaska, the Joint Federal-State Land Use Planning Commission and the Alaska Federation of Natives all support this proposal. The findings to the resource staff of the Commission indicate that acquisition by Koniag of the subsurface estate would not significantly affect the values which the monument proposal is designed to protect, and that the area selected creates no substantial conflicts with other land uses or ownership in the area.

Although there are few if any worthwhile hard rock minerals in the lands to be conveyed, development in these lands is restricted to oil and gas. Surface access to the land will of course be subject to appropriate regulations promulgated by the Secretary of the Interior.

TATITLEK

Section 16 of this bill prevents the village of Tatitlek from losing part of its land entitlement as a result of a misunderstanding with the Interior Department. Tatitlek relied on a consultant's erroneous advice and what it thought was the approval of the Department and selected two townships of its five township entitlement in a regional D-2 withdrawal area.

Subsequently, these selections were disapproved. Because the village had assumed that its selection would have departmental approval, it did not overselect to provide alternate lands for selection in case its selections were not approved. Consequently, through no fault of its own, Tatitlek faced a 40,000 acre underselection. This completely noncontroversial section provides that Tatitlek can select the remainder of its entitlement, about 40,000 acres, from within the village deficiency area originally withdrawn for its selection.

The last selection of H.R. 6644 is a technical amendment which provides the Federal, State, and regional parties to the Cook Inlet agreement in section 12 of this bill with appropriate authority to complete the land transaction specified in that agreement.

Mr. SEBELIUS. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from Kansas.

(Mr. SEBELIUS asked and was given permission to revise and extend his remarks.)

Mr. SEBELIUS. Mr. Speaker, the Alaska Native Claims Settlement Act, enacted in December 1971, contains provisions for the identification of up to 80 million acres of public land in Alaska, which area should be considered for eventual protection by and incorporation into the existing "four systems"—that is for national parks, national wildlife refuges, national forests, and national wild and scenic rivers. These proposals, developed by the administration, are now before the Congress for its consideration.

The proposals are the product of con-

siderable negotiation, and the resolution of final boundaries as may eventually be enacted by the Congress, could be a rather detailed and complex process.

Mr. Speaker, the bill before us, H.R. 6644, has several provisions which are quite relevant to land selections as they may affect the boundaries of the proposed "four systems" areas. As ranking member of the Subcommittee on National Parks and Recreation, I want to register a concern at this time that there well may be provisions in this bill which will preempt future flexible decisionmaking as to logical boundaries for the new national park and other areas, and I think this might be a serious mistake to handle the Alaska land disposition in a disjointed manner.

For example, section 15 of this bill permits a substantial amount of acreage within the proposed new Aniakchak Caldera National Monument to be subjected to withdrawal for the purpose of exploration and removal of subsurface oil and gas, along with necessary contingent surface access. We are hereby now authorizing the exploration and removal of commodities within a possible future unit of the National Park System. This practice is grossly contrary to protections conventionally afforded our national parks and monuments, and as a matter of fact, I am sure that all Members have become aware of the current high public arousal over the fact that prospecting and mining is now legally underway in Death Valley, Calif., and several other of our national park areas. Legislation is now under active consideration in both the House and the Senate regarding the curtailment of these mining activities in several existing national park system units.

Again, Mr. Speaker, I am a bit uneasy that we are, in this bill, possibly preempting some major decisions which we will have to make later, and our full flexibility may thereby be somewhat jeopardized.

Mr. MEEDS. Mr. Speaker, I have no further requests for time.

Mr. DINGELL. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I think the substance of the agreement is excellent. I do not protest the substance of the legislation. I cannot vote for it, for several reasons. I want my good friend, the gentleman from Washington to understand my concern, first that throughout the history of the Alaska Natives claims there has been a great generosity with the refuge lands and much of this over the objection of the chairman of the subcommittee dealing with refuges on the Committee for Merchant Marine and Fisheries, which has clear jurisdiction over those questions.

There has been a great inadequacy of consultation on this particular matter, and as my good friend from Washington has graciously pointed out, there has been a failure to properly consult in connection with this particular matter. My purpose in securing the second was not for the purpose of castigating the gentleman, because he is an honorable, able, and properly respected Member of this body. Quite frankly, my purpose was to let him know that we on the Committee on Merchant Marine and Fisheries have been, over the long period of time I have been on that committee, seeking ways to protect and enhance the usefulness and purpose for which the refuge system was constituted, and quite frankly we are honestly troubled about the effect this legislation will have on these areas.

It is my hope, in consideration of matters of this kind in the future, that the Committee on Interior and Insular Affairs and the distinguished and able gentleman from Washington, for whom I have great respect and affection, will become aware of the fact that there are concerns on this matter in other committees, and that there are concerns with regard to the protection of the refuge system which go well beyond the question of satisfying native claims and deficiencies.

The fact is that refuges have already been set aside, set aside for very valid and good reasons, for the protection of wildlife habitat and the overall spectrum of refuge values, and it is not the purpose of the Congress in the series of statutes relating to this that these values should be lightly dissipated. As I indicated, the content of the statement appears to be a sound one, and the gentleman has dissipated some of my concerns with regard to the extension of the time of filing.

I do note that this bill is brought rather hurriedly before the House. I inquired for a copy of the bill. I received a copy, but I did not receive the copy that has the language of the amendments included in it, but I was very kindly presented with a copy of that by members of the staff. That appears to me to be a rather hasty consideration of a matter of considerable concern. It would be my hope that in handling matters of this kind, there would be time in the future for appropriate consultation and notification of other committees which have jurisdiction.

I notice there are in the bill amendments to the Holding Company Act and to the Food Stamp Act. These are things which should properly be considered elsewhere in the interests of having a fair and proper exposition of the questions which might arise.

Mr. LEGGETT. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Speaker, I would like to commend the gentleman from Michigan for alerting the House to this very important conflict of jurisdiction between two committees. I would like to ask the gentleman this question:

Admittedly, apparently by all parties, our committee—to-wit, the Committee on Merchant Marine and Fisheries—has jurisdiction over refuges. Admittedly, the Interior Committee has jurisdiction over Alaskan Natives and other kinds of Interior matters. Does the gentleman understand that the mere fact of the enactment of the Alaskan Native claims bill, which would provide for the settlement of various Native claims, does not per se authorize its use in the settlement of such claims as they relate to refuges, forests, petroleum reserves, and that further legislation implementing the settlement could take place irrespective of the rules of the House?

Mr. DINGELL. The answer to that question is that the rules of the House were not amended by the Alaskan Native claims legislation. I was present, as was the gentleman from California and as was the gentleman from Washington. I think any of the three of us will agree, but I will yield to the gentleman from Washington if he wants to differ with me on that point. But, the gentleman from Washington is an able, respected and decent Member of this body and very much concerned about the matters under the jurisdiction of his committee. He has done a good job in looking after the affairs of Indians and resolving some of their problems. I do want the gentleman to know that there are problems other than those, and hope he will keep those matters in mind.

Mr. TAYLOR of North Carolina. Mr. Speaker, I rise in support of H.R. 6644, as amended by the Committee on Interior and Insular Affairs.

Certain provisions of this legislation will affect the proposals which have been made for the future establishment of new units of the National Park System in the State of Alaska.

At the time of the committee consideration of this measure, I offered an amendment which would have restricted the mineral rights selected by the Koniag Regional Corp. within the proposal for the Aniakchak Caldera National Monument to the extraction of oil and gas. I want to commend the gentleman from Washington for agreeing to this amendment, which should serve to minimize the impact of making a selection of these lands for mineral purposes. Although I am concerned that the opportunity for the Congress to consider these lands not be compromised, I support H.R. 6644 as amended, and I agree with the chairman of the subcommittee that there is a need to make the determinations for the regional corporations without delay.

Mr. Speaker, I yield back the balance of my time.

Mr. STEIGER of Arizona. Mr. Speaker, I am very pleased that the committee was able to complete its work on the amendments to the Alaska Native Land Claims Settlement Act for floor action today. However, I am disappointed that the committee took no action on an amendment reaffirming our original intent in section 4 of the Claims Act to extinguish all claims based upon aboriginal title, including trespass claims which are the subject of the law suit in Edwardsen against Morton.

I appreciate that the committee report indicates that the subcommittee intends to continue to follow this matter and will move for a legislative solution if the issue is not expeditiously resolved in the courts in Alaska. I was a member of the committee when the Native Land Claims Settlement Act was originally passed, and I feel very strongly that it was precisely the type of litigation in

Edwardsen against Morton and in the more recent case in Alaska involving over 120 defendants that we were trying to avoid in passing the Settlement Act.

I am pleased that the administration recently came out in support of such an amendment, and I would be willing to have it move on this very quickly if the issue cannot be otherwise resolved expeditiously.

Mr. SEIBERLING. Mr. Speaker, I am prepared to support this bill, but I want to put on record my serious misgivings over section 15, which would grant to a regional corporation up to 22,000 acres of subsurface estate within the boundaries of the administration—proposed 447,000 acre Aniakchak Caldera National Monument. As a cosponsor of H.R. 9540, a bill that would authorize creation of this national monument, I think it is premature for the Congress to vote on this provision of the Native claims amendments until after the Committee on Interior and Insular Affairs has had a chance to consider the Aniakchak Caldera National Monument bill.

An intense controversy is now raging over mining being allowed by law in six units of the national park system. If we grant subsurface rights within the proposed monument boundaries and then later establish the national monument, we could be creating another situation where we have allowed activities in a national park that are incompatible and destructive of the values that the park was created to preserve.

The full Interior Committee considered this question, and as a reasonable compromise limited the subsurface rights to only oil and gas. I can accept section 15, [illegible] the bill. If this limitation is retained. If the other body removes this limitation, then I would strongly urge the House conferees to refuse to accept such a change. Otherwise I would feel constrained to oppose the conference report.

Mr. SKUBITZ. Mr. Speaker, I rise in support of H.R. 9611. This bill amends and supplements the Alaska Native Claims Settlement Act of 1971. As my colleagues have described, that act extinguished all Native land claims to Alaska in exchange for approximately $1 billion and 40 million acres of land. The bill before us clarifies some ambiguities in the original act and resolves certain legal and administrative problems which have arisen in its implementation.

The Alaska Natives, the Department of Interior, Alaska's State officials and congressional delegation have all worked hard to produce the various provisions of this legislation. The Indian Affairs Subcommittee took testimony on the bill in 2 days of hearings. Last week the full Interior Committee reported the bill without a dissenting vote.

I wish to commend the gentleman from Alaska (Mr. YOUNG) and the chairman of the subcommittee (Mr. MEEDS), for their cooperative efforts in producing this legislation. It is of great importance to them and to the citizens of the State of Alaska, and I urge the House to pass it without delay.

Mr. MEEDS. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. MCFALL). The question is on the motion offered by the gentleman from Washington (Mr. MEEDS) that the House suspend the rules and pass the bill H.R. 9611, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. MEEDS. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of the Senate bill (S. 1499) to authorize the Secretary of the Interior to enroll certain Alaska Natives for benefits under the Alaska Native Claims Settlement Act, to resolve certain issues arising from the implementation of such Act, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1499

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) The Secretary of the Interior (hereinafter referred to as the "Secretary") is directed to review those applications previously submitted or hereafter submitted within one year from the date of enactment of this Act by applicants who failed to meet the March 30, 1973, deadline for enrollment established pursuant to the Alaska Native Claims Settlement Act, 85 Stat. 688 (hereinafter referred to as the "Settlement Act"), and to enroll those Natives under the provisions of that Act who would have been qualified if the March 30, 1973, deadline had been met.

(b) In those instances where, on the roll prepared under section 5 of the Settlement Act, there were enrolled as residents of a place on April 1, 1970, a sufficient number of Natives required for a Native village or a Native group, as the case may be, and it is subsequently and finally determined that such place is not eligible for land benefits under said Act on grounds which include a lack of sufficient number of residents, the Secretary shall, in accordance with the criteria for residence applied in the final determination of eligibility, redetermine the place of residence on April 1, 1970, of each Native enrolled to such place and the place of residence as so redetermined shall be such Native's place of residence on April 1, 1970, for all purposes under the Settlement Act. Each Native whose place of residence is subject to redetermination as provided in this subsection shall be given notice and an opportunity for hearing in connection with such redetermination of residence as shall any Native corporation which it appears may gain or lose stockholders by reason of such redetermination.

(c) Each Native who is enrolled, or whose place of residence has been redetermined, pursuant to this Act shall be issued stock in the Native corporation or corporations in which such enrollment or redetermination of residence entitles him to membership and, in the case of redetermination of residence, all stock issued to such Native by any Native corporation in which he or she is no longer eligible for membership shall be deemed canceled. No prior distribution of funds made by any Native corporation shall be affected by any such enrollment or redetermination of residence and future distributions by such corporation shall be adjusted to insure that cumulative distributions to individual Natives so enrolled or affected by redetermination of residence will be equal to distributions to Natives previously enrolled in such corporation. The land entitlement of any Native village, Native group, Village Corporation, Regional Corporation, or corporation organized by Natives residing in Sitka, Kenai, Juneau, or Kodiak, all as defined in the Settlement Act, shall not be affected by any enrollment or redetermination of residence pursuant to this Act. No tribe, band, clan, group, village, community, or association not otherwise eligible for land or other benefits as a Native village or Native group, as defined in said Act, shall become eligible for land or other benefits as a Native village or Native group because of any enrollment or redetermination of residence pursuant to this Act, and no Native village or Native group, as defined in said Act, shall lose its status as a Native village or Native group because of any enrollment or redetermination of residence pursuant to this Act.

(d) No distribution of funds from the Alaska Native Fund pursuant to section 6(c) of the Settlement Act made by the Secretary or his delegate prior to enactment of this Act shall be affected by the provisions of this Act. The Secretary shall make any necessary adjustments in future distributions of funds pursuant to said section 6(c) to accommodate the changes in the roll made pursuant to this Act.

SEC. 2. (a) Any and all proceeds received by any agency or instrumentality of the Federal Government derived from contracts, leases, permits, rights-of-way, or easements pertaining to lands or resources of lands withdrawn for Native selection pursuant to the Settlement Act on and after the date of its enactment shall be deposited in an escrow account which shall be held by the Secretary until lands selected pursuant to said Act have been conveyed to the selecting corporation or individual entitled to receive benefits under said Act. As such withdrawn or formerly reserved lands are conveyed the Secretary shall pay from such account the proceeds pertaining to the lands or resources of such lands, together with interest, to the appropriate corporation or individual entitled to receive benefits under the Settlement Act. The proceeds pertaining to lands withdrawn or reserved, but not selected or elected, pursuant to said Act, shall, upon the expiration of the selection or election rights of the corporations and individuals for whose benefits such lands were withdrawn or reserved, be paid as required by law were it not for the provisions of this Act.

(b) The Secretary is authorized to deposit in the Treasury of the United States such escrow account proceeds referred to in subsection (a) of this section and the United States shall pay interest thereon from the date of deposit to the date of payment with simple interest at such rate as may be determined by the Secretary of the Treasury: *Provided, however*, That the Secretary in his discretion may withdraw from the United States Treasury such proceeds deposited by him under this Act and reinvest such proceeds in the same manner provided for by the first section of the Act of June 24, 1938 (52 Stat. 1037).

SEC. 3. Any and all proceeds from public easements reserved pursuant to paragraph (3) of section 17(b) of the Settlement Act shall be paid to the holder of the land with respect to which such conveyance is made in accordance with such holder's proportionate share.

SEC. 4. For purposes of the first section of the Act of February 12, 1929 (45 Stat. 1164),

as amended, and the first section of the Act of June 24, 1938 (52 Stat. 1037), the Alaska Native Fund shall, pending distribution under section 6(c) of the Settlement Act, be considered to consist of funds held in trust by the Government of the United States for the benefit of Indian tribes.

Sec. 6. The Settlement Act is further amended by adding a new section 28 to read as follows:

"MERGER OF NATIVE CORPORATIONS

"Sec. 28. (a) Notwithstanding any provision of this Act, any corporation created pursuant to section 7(d), 8(a), 14(h)(2), or 14(h)(3) within any of the twelve regions of Alaska, as established by section 7(a), may, at any time, merge or consolidate, pursuant to the applicable provisions of the laws of the State of Alaska, with any other of such corporation or corporations created within or for the same region. Any corporations resulting from mergers or consolidations further may merge or consolidate with other such merged or consolidated corporations within the same region or with other of the corporations created in said region pursuant to section 7(d), 8(a), 14(h)(2), or 14(h)(3).

"(b) Such mergers or consolidations shall be on such terms and conditions as are approved by vote of the shareholders of the corporations participating therein, including, where appropriate, terms providing for the issuance of additional shares of Regional Corporation stock to persons already owning such stock, and may take place pursuant to votes of shareholders held either before or after the enactment of this section: *Provided*, That the rights accorded under Alaska law to dissenting shareholders in a merger or consolidation may not be exercised in any merger or consolidation pursuant to this Act effected prior to December 18, 1991. Upon the effectiveness of any such mergers or consolidations, the corporations resulting therefrom and the shareholders thereof shall succeed and be entitled to all the rights, privileges, and benefits of this Act, including but not limited to the receipt of lands and moneys and exemptions from various forms of Federal, State, and local taxation, and shall be subject to all the restrictions and obligations of this Act as are applicable to the corporations and shareholders which participated in said mergers or consolidations or as would have been applicable if the mergers or consolidations and transfers of rights and titles thereto had not taken place.

"(c) Notwithstanding the provisions of section 7 (j) or (m), in any merger or consolidation in which the class of stockholders of a Regional Corporation who are not residents of any of the villages in the region are entitled under Alaska law to vote as a class, the terms of the merger or consolidation may provide for the alteration or elimination of the right of said class to receive dividends pursuant to said section 7 (j) or (m). In the event that such dividend right is not expressly altered or eliminated by the terms of the merger or consolidation, such class of stockholders shall continue to receive such dividends pursuant to section 7 (j) or (m) as would have been applicable if the merger or consolidation had not taken place and all Village Corporations within the affected region continued to exist separately.

"(d) Notwithstanding any other provision of this section or of any other law, no corporation referred to in this section may merge or consolidate with any other such corporations unless that corporation's shareholders have approved such merger or consolidation.

"(e) The plan of merger or consolidation shall provide that the right of any affected Village Corporation pursuant to section 14(f) to withhold consent to mineral exploration, development or removal within the boundaries of the Native village shall be conveyed, as part of the merger or consolidation, to a separate entity composed of the Native residents of such Native village.".

Sec. 6. The Settlement Act is amended by adding a new section 29 to read as follows:

"TEMPORARY EXEMPTION FROM CERTAIN SECURITIES LAWS

"Sec. 29. Any corporation established pursuant to this Act shall be exempt from the provisions of the Investment Company Act of 1940 (54 Stat. 789), the Securities Act of 1933 (48 Stat. 74), and the Securities Exchange Act of 1934 (48 Stat. 881), as amended, through December 31, 1991. Nothing in this section, however, shall be construed to mean that any such corporation shall or shall not after such date be subject to the provisions of such Acts. Any such corporation which, but for this section, would be subject to the provisions of the Securities Exchange Act of 1934 shall transmit to its stockholders each year a report containing substantially all the information required to be included in an annual report to stockholders by a corporation which is subject to the provisions of such Act.".

Sec. 7. The Settlement Act is further amended by adding a new section 30 to read as follows:

"RELATIONS TO OTHER PROGRAMS

"Sec. 30. (a) The payments and grants authorized under this Act shall not be deemed a substitute for any governmental programs otherwise available to the Native people of Alaska as citizens of the United States and the State of Alaska.

"(b) Notwithstanding section 5(a) and any other provision of the Food Stamp Act of 1964 (78 Stat. 703), as amended, in determining the eligibility of any household to participate in the food stamp program, any compensation, remuneration, income, or other benefits received by any member of such household under this Act shall be disregarded.".

Sec. 8. Section 17(a)(19) of the Settlement Act is amended to read as follows:

"(19) The Planning Commission shall submit, in accordance with this paragraph, comprehensive reports to the President of the United States, the Congress, and the Governor and legislature of the State with respect to its planning and other activities under this Act, together with its recommendations for programs or other actions which it determines should be implemented or taken by the United States and the State. An interim, comprehensive report covering the above matter shall be so submitted on or before May 29, 1976. A final and comprehensive report covering the above matter shall be so submitted on or before May 30, 1978. The Commission shall cease to exist effective June 30, 1979.".

Sec. 9. (a) The Secretary shall pay, by grant, $250,000 to each of the corporations established pursuant to section 14(h)(3) of the Settlement Act.

(b) The Secretary will pay, by grant, $100,000 to each of the following Village Corporations:

(1) Arctic Village.
(2) Eklutna.
(3) Gambell.
(4) Kalskag.
(5) Tetlin, and
(6) Venetie.

(c) Funds authorized under this section may be used only for planning, development, and other purposes for which the corporations set forth in subsections (a) and (b) are organized under the Settlement Act.

(d) There is authorized to be appropriated to the Secretary for the purpose of this section a sum of $1,600,000 in fiscal year 1976.

Sec. 10. (a) Section 16 of the Settlement Act is amended by inserting at the end thereof a new subsection (d) to read as follows:

"(d) The lands including and surrounding the Village of Klukwan which were withdrawn by subsection (a) of this section are hereby rewithdrawn to the same extent and for the same purposes as provided by said subsection (a) for a period of one year from the date of enactment of this subsection, during which period the Village Corporation for the Village of Klukwan shall select an area equal to 23,040 acres in accordance with the provisions of subsection (b) of this section and such Corporation and the shareholders thereof shall otherwise participate fully in the benefits provided by this Act to the same extent as they would have participated had they not elected to acquire title to their former reserve as provided by section 19(b) of this Act: *Provided, however*, That the foregoing provisions of this subsection shall not become effective unless and until the Village Corporation for the Village of Klukwan shall quitclaim to Chilkat Indian Village, organized under the provisions of the Act of June 18, 1934 (48 Stat. 984), as amended by the Act of May 1, 1936 (49 Stat. 1250), all its right, title, and interest in the lands of the reservation defined in and vested by the Act of September 2, 1957 (71 Stat. 596), which lands are hereby conveyed and confirmed to said Chilkat Indian Village in fee simple absolute, free of trust and all restrictions upon alienation, encumbrance, or otherwise.".

(b) The Secretary is authorized to poll individual Natives properly enrolled to Native villages or Native groups which are not recognized as Village Corporations under section 11 of the Settlement Act and which are included within the boundaries of former reserves the Village Corporation or Corporations of which elected to acquire title to the surface and subsurface estates of said reserves pursuant to section 19(b) of the Settlement Act. The Secretary may allow these individuals the option to enroll to a Village Corporation which elected the surface and subsurface title under section 19(b) or to enroll on an at-large basis to the Regional Corporation in which the village or group is located.

Sec. 11. Except as specifically provided in this Act, (1) the provisions of the Settlement Act are fully applicable to this Act, and (2) nothing in this Act shall be construed to alter or amend any such provisions.

AMENDMENT OFFERED BY MR. MEEDS

Mr. MEEDS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Meeds: Strike out all after the enacting clause of S. 1469 and insert the provisions of H.R. 6044, as passed.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 6044) was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MEEDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORTS

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Committee

MEMORANDUM

The attached document entitled "Proposed Terms and Conditions for Land Consolidation and Management in the Cook Inlet Area" is incorporated by this reference as if set out herein. Having determined that the proposed "Terms and Conditions" would facilitate land management in the Cook Inlet basin by effecting land consolidations and encouraging settlement and development on appropriate lands, and that it would serve as an equitable resolution by the United States of Cook Inlet Region's entitlement under ANCSA, the undersigned hereby agree to support federal legislation incorporating the content of the proposed "Terms and Conditions." In the event that such legislation becomes law, the undersigned agree to recommend that the State of Alaska notify the Secretary within sixty-five days of the commencement of the 1976 session of the Alaska State Legislature of its assent to be bound by the requirements of the proposed "Terms and Conditions."

It is understood and agreed between the undersigned that the proposed "Terms and Conditions" will be referred by the Governor to the Alaska State Legislature on the first day of the 1976 session. It is further understood that should the Legislature take an action within sixty days of the commencement of the session disapproving the State's participation in the land exchange transaction, the State will not assent to the agreement.

Cook Inlet Region, Inc. in consideration of the promise both to support such federal legislation and to recommend that the Secretary be notified, as indicated above, agrees now to be bound by the proposed "Terms and Conditions" subject to enactment of the federal legislation and the final consent of the State of Alaska.

By: _____
Roy M. Huhndorf
President, Cook Inlet Region, Inc.

Date: December 17, 1975

By: Michael C. T. Smith
Michael C. T. Smith
Director, Division of Lands

Date: 17 DECEMBER 1975

By: Guy R Martin
Guy R. Martin, Commissioner
Department of Natural Resources

Date: Dec. 24, 1975