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FEDERAL TRADE COMMISSION
WASHINGTON, D. C. 20580

603-542-9316

R. T. McNAMAR
EXECUTIVE DIRECTOR

September 21, 1976

Mr. Brad Patterson
Presidential Personnel Office
Room 134 Old Executive
Office Building
Washington, D.C.

Dear Brad:

As I promised, I am sending you the little I know about Michael Dorris. He is an Assistant Professor of Anthropology at Dartmouth College, and is also Chairman of the Native American Studies Program at the College. He is a member of the Modoc Tribe of Native Americans, which is located in southern Oregon. A 1967 graduate of Georgetown University, Mr. Dorris earned a Master of Philosophy degree at Yale University in Anthropology.

The Smithsonian Institution has published two papers of his, "The Ingalik" and "Culture Contact in the Lower Kusko-Kwin-Yukon-Tanana Rivers Area" as part of a 19-volume work on North American Indians. He is also the author of Native Americans - 500 Years After (Crowell).

As I mentioned, I was most impressed with Mike, and believe that his reputation as a teacher is well deserved. I know nothing about his politics, administrative abilities, interest in Washington, etc. Nevertheless, I would recommend him as a highly qualified, able individual, who could make an excellent contribution in any position requiring expertise and ability to handle questions of racism.

Last, I want to call to your attention the two-part article in JURIS DOCTOR, the American Bar Association's publication, on Native American land rights.

Sincerely,

R. T. McNamar

cc: D. Bennett



Talked 9/29/76

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ERIC J. ZAHLER

FREDERICK SASS, JR.
COUNSEL

OUR REFERENCE

September 24, 1976

Mr. Bradley S. Patterson
The President's Advisor on Indian Affairs
Room 134, Old Executive Office Building
Washington, D.C.

HAND DELIVERED

Re: Metlakatla Indian Community

Dear Mr. Patterson:

Thank you for agreeing to meet with Mayor Leask and the delegation from Metlakatla on Monday afternoon. The delegation will include: Mayor Wallace D. Leask, Mr. Gregory Argel, Mr. Barney Scudero, Mr. John Smith and Mr. Gordon Thompson.

The delegation wishes to meet with you to discuss a problem which the Community is encountering in following through with a number of Federal agencies on understandings reached at meetings in Washington last March. A number of agencies agreed to give special attention to economic problems arising on the Annette Island Reservation by virtue of a reduction of Federal activities (the closing of a Federal Aviation Administration facility and the imminent closing of a U.S. Coast Guard facility). The agencies involved in these meetings and understandings included the Bureau of Indian Affairs (which was recognized as the lead agency), the Economic Adjustment Office of the Department of Defense, the U.S. Coast Guard, and the Economic Development Administration of the U.S. Department of Commerce.

The Community feels that these understandings are not being carried through, especially in connection with the roles of the Bureau of Indian Affairs, the Coast Guard and the Economic Development Administration.



Mr. Bradley S. Patterson
September 24, 1976

Page 2.

I should prefer for the Mayor and his staff to explain to you more fully the details with reference to the difficulties which they now encounter. Their hope is that you may be able to assist them in improving the coordination among these agencies with respect to this matter.

Sincerely,


S. Bobo Dean



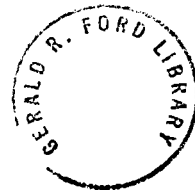
THE WHITE HOUSE
WASHINGTON

October 1

Morrie -

What response do we
give to this one?

Perhaps you'd like to
reply directly, but if not, please
give me draft language to respond.



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The White House
Washington



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PMS PRES GERALD R FORD

WHITE HOUSE DC

THE BIA ON SEPTEMBER 30 IN VIOLATION OF THE INDIAN
SELF DETERMINATION ACT PL93-638 AND ITS OWN REGULATIONS
COMPLETELY BROKE OF NEGOTIATIONS WITH THE TANANA
CHIEFS CONFERENCE. FOR A FY77 CONTRACT TO ADMINISTER
AND OPERATE FAIRBANKS AGENCY PROGRAMS. THE FY76
PCG CONTRACT WITH THE BIA JUST EXPIRED. 35 PCG
EMPLOYEES HAVE BEEN TERMINATED. THE BIA IS UNPREPARED
TO PROVIDE FAIRBANKS AGENCY PROGRAMS AND SERVICES
TO THE 43 PCG VILLAGES. 13,000 ALASKA NATIVES FACE
IMMEDIATE LOSS OF VITAL SERVICES PREVIOUSLY PROVIDED
BY PCG UNDER BIA CONTRACT. RECOGNIZING YOUR RECORD

1976 OCT 1 PM 4 30

WHITE HOUSE
MAIL ROOM



FORM 0605 PRINTED BY THE STANDARD REGISTER COMPANY, U. S. A.

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OF STRONG SUPPORT FOR INDIAN SELF DETERMINATION
WE URGENTLY REQUEST YOUR IMMEDIATE ASSISTANCE IN
OBTAINING A COMMITMENT FROM THE BIA TO RESUME
MEANINGFUL NEGOTIATIONS WITH PCC FOR A FY77 CONTRACT.
FOR FAIRBANKS AGENCY PROGRAMS
ALFRED R KETZLER PRESIDENT
TANANA CHIEFS CONFERENCE



NNNN

Date: October 2

Time: 425pm

FOR ACTION:

George Humphreys
Brad Patterson
Max Friedersdorf
Steve McConahey

cc (for information):

Jack Marsh
Jim Connor
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date:

October 4

Time:

1100am

SUBJECT:

S.3651-Alaska Native Claims Settlement Act

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

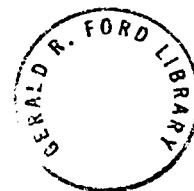
Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston,ground floor west wing



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon
For the President



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OCT 1 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 3651 - Alaska Native Claims
Settlement Act Amendments
Sponsors - Sen. Gravel (D) Alaska, Sen. Abourezk
(D) South Dakota, and Sen. Stevens (R) Alaska

Last Day for Action

October 9, 1976 - Saturday

Purpose

Amends the Alaska Native Claims Settlement Act to: provide for the withdrawal of lands for the village of Klukwan, Alaska; to convey certain lands to the Cook Inlet Region Corporation; and to convey certain lands to the State of Alaska.

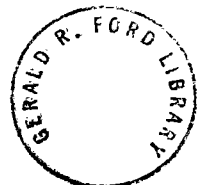
Agency Recommendations

Office of Management and Budget	Approval
Department of the Interior	Approval
Department of Agriculture	Approval
General Services Administration	No objection (informally)
Department of Justice	Defers to Interior and Agriculture

Discussion

Background

The Alaska Native Claims Settlement Act (ANCSA) of 1971 was designed to provide comprehensive and definitive compensation to the Natives for the value of their aboriginal claims to land in Alaska. Basically, the Act



authorized monetary payments and land conveyances to individual Natives, to 12 Native Regional Corporations, and to approximately 220 Native Village Corporations in the aggregate amount of approximately \$965 million and 40 million acres. This enrolled bill is comprised of two distinct provisions that would amend ANCSA. We are noting them as the Klukwan and Cook Inlet provisions, and each is discussed separately below.

Klukwan provision

Section 16 of ANCSA provided for selection of 23,040 acres by each of ten Native villages in Southeast Alaska, such lands to come from the township in which the village was located, to the extent possible, and from contiguous townships if sufficient lands were not available from the township in which the village was located. This land entitlement was less than that for villages outside Southeast Alaska because of a prior payment made to these Natives on their aboriginal claim. Moreover, section 19 of ANCSA allowed certain villages to obtain title to their former reserves (land and subsurface estates) in lieu of participation in the cash and land settlements under ANCSA.

Because the village of Klukwan, a Southeast Alaska village, occupies a former Bureau of Indian Affairs reserve, it qualified to select between sections 16 and 19 as described above. Approximately 250 Natives were enrolled in this village of whom 100 were residents.

Title to the subsurface of lands selected by a village under section 16 accrues to the Regional Corporation, whereas such subsurface title for lands retained under section 19 accrues to the village itself. Because of their reserve's mineral values, the 250 enrollees of Klukwan chose to exercise their section 19 option and obtain title to the surface and subsurface of some 900 acres in lieu of 23,040 acres of surface and ANCSA cash benefits. However, it later developed that the 100 residents of Klukwan, incorporated as Chilkat Indian Village, had already leased out the mineral estate,



creating a "valid existing right" to be undisturbed by the original Settlement Act. Thus, the property rights of the members of Chilkat Indian Village did not change, but this selection effectively denied substantial ANCSA benefits to those 150 or so enrollees of Klukwan who were not village members.

In January 1976, you signed S. 1469, P.L. 94-204, which contained a series of amendments to ANCSA, including one addressing the Klukwan situation. These amendments effectively allowed the 250 members of Klukwan to exercise their rights under section 16 even though they had opted originally for section 19 benefits. This left the 150 nonresidents with benefits equal to those of other Southeast Natives, but effectively provided a double benefit for the 100 residents who now receive both section 16 and section 19 benefits.

Since enactment of P.L. 94-204, Klukwan representatives have claimed that the lands from which they are permitted to select 23,040 acres are not of sufficient value. They contend that the State of Alaska and others have already obtained the best lands in this area.

The remedy proposed by section 1 of S. 3651 is to require the Secretary of the Interior to withdraw 70,000 acres of public lands in Southeast Alaska "of similar character and comparable value, to the extent possible, to those of the Chilkat Valley surrounding the village of Klukwan." From this withdrawal, Klukwan would select its 23,040 acres. The enrolled bill would require that these lands not be those already selected by other Native groups, that they not be located on Admiralty Island, and that the Secretary of Agriculture be consulted if National Forest Lands are involved, which will undoubtedly be the case.

The arguments in favor of this provision are as follows:

1. The Klukwan area has been more heavily impacted by State land selections than have the other villages in Southeast, and thus the 150 nonresident Natives have been disadvantaged when compared to other Southeast Natives.

2. Much of the land from which the Klukwan selections could be made absent this legislation is at higher elevations, and some is covered by glaciers (this area adjoins Glacier Bay National Monument).

The arguments against this provision are that:

1. Land selections in Southeast Alaska, under ANCSA, were intended more for village expansion in their immediate surroundings than for economic exploitation by nonresident owners. Under S. 3651, Klukwan could pick and choose individual parcels from the Tongass National Forest if the Secretary of the Interior withdraws such lands after prior consultation with the Department of Agriculture.
2. Other villages in Alaska have land selection difficulties, and an amendment to ANCSA for one group sets a precedent for an untold number of further amendments.
3. One hundred of the residents of Klukwan, though not extraordinarily affluent, have already received more benefits than other Natives and this provision provides still further benefits not available to others.

Cook Inlet provisions

Section 12 of P.L. 94-204 ratified the terms and conditions providing for the settlement of conflicting land claims in the Cook Inlet Area of Alaska under ANCSA. However, in implementing these agreements earlier this year, Interior discovered a need for clarification in the law if prompt and efficient administration of the Cook Inlet Settlement was to be achieved.

Sections 2, 3, 4 and 5 of S. 3651 would verify a revised version of the terms and conditions established under P.L. 94-204 and provide for other adjustments to ANCSA's provisions relating to the Cook Inlet Area. Each provision is briefly summarized below.



Section 2 -- directs the Secretary of the Interior to convey immediately 265 acres of land in Point Woronzof near Anchorage to the State of Alaska. Under P.L. 94-204, the State would receive this tract for park and recreational purposes only, but the enrolled bill broadens the allowable uses to include airport or other public purposes.

Section 3 -- reratifies a clarified version of the terms and conditions under which ANCSA land claims in the Cook Inlet Area are to be resolved.

Section 4 -- authorizes the Secretary of the Interior to convey lands selected by Village Corporations within the Cook Inlet Region to the Cook Inlet Region, Incorporated, for reconveyance to the Village Corporations in satisfaction of such Village Corporations' entitlement under ANCSA. The basic effect of this provision is to transfer from Interior to the Native's Regional Corporation the task of adjudicating and resolving inter-village land selections within the overall entitlements for Cook Inlet.

Section 5 -- directs the Secretary of the Interior to convey to the Cook Inlet Region 56 acres of land at Fort Richardson, Alaska. This tract would ultimately be conveyed to the Region under the terms of ANCSA, and the effect of this provision is to accomplish the conveyance immediately. In return for the tract, the Region would be required to lower its overall entitlement by 1687.2 acres.

Legislative History

S. 3651 was introduced, passed, and enrolled without the customary Executive Branch and congressional committee review process. However, both Interior and Agriculture submitted to the Congress, without clearance by this Office, letters concerning this legislation.



In this regard, Secretary Kleppe advised the Chairman of the House Interior Committee that his Department supported the Cook Inlet provisions. On the other hand, the Chief of the Forest Service wrote every member of the Senate Interior Committee to express his concerns that the Klukwan provision was an undesirable and inequitable precedent which would lead to further piecemeal amendments to ANCSA.

Agency Views

Both Interior and Agriculture now recommend approval. Interior advises that the enrolled bill would enable it:

"... to execute our existing obligations under the Settlement Act and Public Law 94-204 more efficiently and with a decreased possibility of controversy and protracted litigation."

In its enrolled bill letter, Agriculture restricts its comments to the Klukwan provision, and concludes that:

"As a result of discussions with the Alaska Congressional Delegation, the staff of the House Subcommittee on Indian Affairs, and representatives of Klukwan Village and the Department of the Interior, we have reached agreement that Klukwan will select the maximum amount of usable acreage within their withdrawal area and that any deficiency withdrawal will be made only after further consultation with the Forest Service. We are assured that Klukwan is interested in selecting lands in a compact and contiguous area which will permit them to manage their lands wisely and economically, and are informed that they are interested in joining with other Native villages in cooperative land management. Furthermore, Klukwan representatives have identified the specific areas of the Tongass National Forest which they wish to consider



for their deficiency withdrawal and have discussed these at length with the Regional Forester for the Alaska Region. Based on his views, we do not identify any adverse impact of these withdrawals on the management of the Tongass National Forest."

Conclusion

On balance, we concur in the Interior and Agriculture recommendations for approval. Based on the Forest Service's assessment, we believe the Klukwan provision is primarily objectionable from a precedential standpoint. In this regard, we are not aware of similar situations with respect to other villages, but in future cases the Administration would have to assess each case on the merits. Finally, we view the Cook Inlet provisions as essentially technical amendments to ANCSA which simply provide a statutory verification of agreements previously reached between Interior, the State of Alaska, and Cook Inlet Region, Incorporated.


Acting Director

Enclosures





United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

SEP 28 1976

Dear Mr. Lynn:

This responds to your request for the views of this Department on the enrolled bill S. 3651, "To amend the Alaska Native Claims Settlement Act to provide for the withdrawal of lands for the village of Klukwan, Alaska, and for other purposes."

We recommend that the President approve the enrolled bill.

Section 1 of S. 3651 as enrolled would amend section 16(d) of the Alaska Native Claims Settlement Act as amended (85 Stat. 688, as amended by P.L. 94-204) to direct the Secretary of the Interior to withdraw 70,000 acres of public lands in the southeastern Alaska region in order that the village corporation, Klukwan, Inc., may select its 23,040 acres of land. To the extent possible, the lands withdrawn shall be comparable in value and character to the lands of the Chilkat Valley, surrounding the village of Klukwan. Section 1 requires the Secretary to consult with the Secretary of Agriculture prior to withdrawing thereunder any lands from the national forest system.

The withdrawal by the Secretary shall be made within six months of enactment, and within one year of withdrawal Klukwan shall select, and have conveyed thereto, the 23,040 acres. None of the lands withdrawn can be those which are the subject of selection by other Native Corporations or located on Admiralty Island, nor shall the legislation affect the existing entitlement of any Regional Corporation to lands pursuant to section 14(h) (8) of ANCSA.

Section 9 of P.L. 94-204 authorized the shareholders of Klukwan, Inc., to participate in the benefits of ANCSA, including the selection of land, as if they had not originally elected to acquire title to their former reserve. However, section 9 only addressed the problem which existed between Klukwan, Inc., and Chilkat Indian Village. It did not address the situation whereby very little usable lands would be available to Klukwan, Inc., due to the earlier selections



in the Klukwan area by the State of Alaska under the Alaska Statehood Act. Section 1 of S. 3651 would enable Klukwan, Inc., to select useable lands by providing for a withdrawal of lands for it in a manner similar to the withdrawal provisions for those Native Villages which come under section 11(a) (3) of ANCSA.

Because of the possibility that a conveyance under section 1 of the enrolled bill might be construed as a conveyance pursuant to section 14(h) of ANCSA, section 1 provides that no regional entitlements under section 14(h) (8) of ANCSA will be affected by any conveyances pursuant to section 1 of S. 3651. It is our understanding that the Congressional intent concerning section 1 (Cong. Rec. H. 10962, Sept. 23, 1976) is that the conveyance to Klukwan, Inc., will be treated in the same manner as conveyances to other villages in the southeast Alaska region, i.e., the surface estate will go to the village and the subsurface estate will go to the region as provided by section 16(b) of ANCSA.

Section 9 of P.L. 94-204 withdrew for selection an area surrounding the Village of Klukwan. Pursuant to section 1 of the enrolled bill and the stated position of Klukwan, Inc., (Cong. Rec. H. 10963, Sept. 23, 1976), this Department intends to: (1) withdraw lands in the prior Klukwan area withdrawal in accord with Klukwan's stated intent (see letter of Sept. 23, 1976 from President, Klukwan, Inc., to Rep. Lloyd Meeds, Cong. Rec. H. 10963); (2) withdraw lands as proposed in the agreement between Klukwan, Inc., and the State of Alaska (Cong. Rec. S. 15215, Sept. 1, 1976) after consultation with the Department of Agriculture; and (3) withdraw additional lands, if necessary, after consultation with Klukwan, Inc., and the Department of Agriculture. It is our understanding that Klukwan, Inc., has made assurances to the Congress that the lands involved under (1) and (2) above meet the section 1 criteria of "similar character and comparable value."

Sections 2 through 5 of the enrolled bill concern certain provisions in the terms and conditions for the consolidation and management of lands in the Cook Inlet Region which are incorporated in section 12 of P.L. 94-204. These sections would clarify certain obligations in those provisions as well as correct certain typographical and printing errors in the original terms and conditions.

Section 2 of the enrolled bill directs the Secretary of the Interior to immediately convey 265 acres of land on Point Woronzof, near Anchorage, to the State of Alaska "for park, recreation, airport or other public purposes." Absent section 2 of S. 3651, the Secretary would have been obligated to convey this land to the State for park and recreation purposes only, pursuant to the provisions of

section 12 of P.L. 94-204. This restricted conveyance may preclude the State from constructing a north-south runway extension at the Anchorage International Airport. The State has proposed such construction and the Federal Aviation Administration has been considering the extension for some time. A final Environmental Impact Statement is expected in early November, 1976. The Air Line Pilots Association considers the existing runways at the Airport unsafe under certain wind conditions.

The Secretary is already required to convey this land to the State under section 12 of P.L. 94-204. Section 2 of S. 3651 would direct immediate conveyance and expands the purposes for which the State may use the land.

Section 12 of P.L. 94-204 incorporated by reference a complex land trade agreement between this Department, the State of Alaska, and Cook Inlet Region, Inc. During the past year, the parties have clarified ambiguities in the agreement, and section 3 of the enrolled bill re-ratifies the clarified version of the agreement. The clarification will result in a more efficient implementation of the Department's existing responsibilities under section 12 of P.L. 94-204.

Section 4 of the enrolled bill provides authority for the Secretary to convey lands selected by village corporations within Cook Inlet Region to the Cook Inlet Region, Inc., for reconveyance to the village corporations in satisfaction of such village corporations entitlement under ANCSA. A number of village corporations in the Cook Inlet Region selected lands in a manner which, in our judgment, did not satisfy the requirements of ANCSA and the implementing regulations. The purpose of these provisions of the Act and regulations is to provide for compact private land holdings, keep Federal adjudication and survey costs to a minimum, and to provide the Alaska Natives their entitlements as set out in the Settlement Act. This Department declared several village selections in Cook Inlet Region invalid for being in violation of these statutory and regulatory provisions.

In the Cook Inlet Region, instead of withdrawing each block of land for one village, we withdrew each block of land for several villages because of the dearth of available lands and the still pending judicial action on village eligibility. We have subsequently reached an agreement whereby we will convey blocks of land selected by the village corporations to Cook Inlet Region, Inc., for reconveyance to the villages notwithstanding the validity of the original selection. Instead of the Department adjudicating the validity of each village selection and surveying the exterior boundaries of each, within these

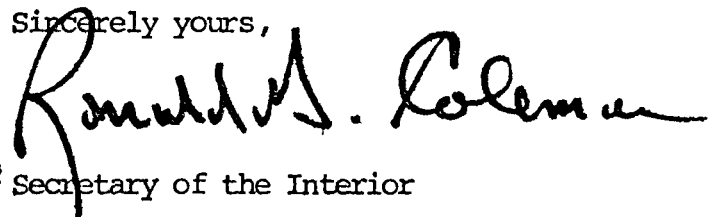


blocks, the Department will only be required to survey the exterior boundaries of the entire blocks conveyed to the Region. This would allow the Natives, upon the termination of eligibility litigation, to determine how the land within the blocks will be divided. The Department estimates that this relieved survey burden under section 4 will save several hundred thousand dollars. Implementation of this agreement by section 4 will also avoid protracted litigation over the validity of these village selections.

Section 5 of S. 3651 directs the Secretary to convey to the Cook Inlet Region, within 60 days of enactment, 56 acres of land at Fort Richardson, which are in the process of being declared surplus property by the Bureau of Land Management and the General Services Administration. Under the acre equivalency provisions of the original terms and conditions in section 12 of P.L. 94-204, this land would be equivalent to and a substitute for 1687.2 acres of the Region's entitlement. The land to be conveyed under section 4 would have ultimately been conveyed to the Region under P.L. 94-204 anyway. Immediate conveyance as provided by section 4 would relieve the Department or GSA of interim management costs.

In our judgment, this legislation will enable the Department to execute our existing obligations under the Settlement Act and Public Law 94-204 more efficiently and with a decreased possibility of controversy and protracted litigation. Accordingly, we recommend that the President approve the enrolled bill.

Sincerely yours,



Assistant Secretary of the Interior

Honorable James T. Lynn
Director, Office of
Management and Budget
Washington, D.C. 20503





DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

September 28, 1976

Honorable James T. Lynn
Director, Office of Management
and Budget

Dear Mr. Lynn:

As requested by your office, here are our views on the enrolled enactment, S. 3651, an Act "To amend the Alaska Native Claims Settlement Act to provide for the withdrawal of lands for the village of Klukwan, Alaska, and for other purposes."

Insofar as S. 3651 affects the responsibilities of this Department, we recommend that the President approve the enactment. We defer to the Department of the Interior on the merit of sections 2 and 3 of the Act relating to Cook Inlet.

Section 1 of S. 3651 would amend the Alaska Native Claims Settlement Act to authorize and direct the Secretary of the Interior to withdraw 70,000 acres of public land from which Klukwan Village Corporation could select its entitlement of 23,040 acres. The bill also provides that the lands shall be located in southeastern Alaska and shall be to the extent possible of similar character and value to those of the Chilkat Valley surrounding the Village of Klukwan. In addition, S. 3651 provides that no lands that have been previously withdrawn as a forest reserve shall be withdrawn without prior consultation with the Secretary of Agriculture. The circumstances leading to this legislation are detailed in the enclosed legislative history of S. 3651.

Lands in the Tongass National Forest would qualify for selection under S. 3651, and Klukwan Village Corporation has signified its intention to request withdrawal of such lands. As the Department charged with responsibility for administering the National Forest System, we obviously review thoroughly all proposals to transfer lands out of National Forest status to assess the impact on the management of the National Forests. In recognition of Klukwan's land selection difficulties, we have given the Klukwan situation considerable attention in a desire to reach an equitable and acceptable solution. Toward this end, the Forest Service met repeatedly with the Alaska Congressional Delegation and Klukwan representatives.

We have previously had two principal concerns with this legislation. First, there had been no conclusive determination that lands were not available within Klukwan's original withdrawal area. It was Klukwan's sincere belief that the State of Alaska had prior claim to its core

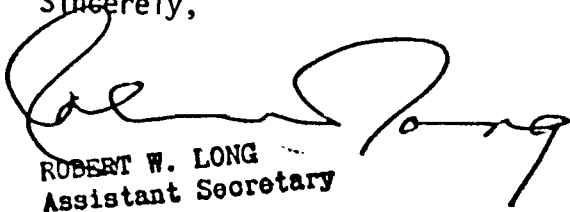
township and adjacent lands that led to their request for this legislation. This view was initially supported by certain segments within the Department of the Interior. However, in the last week, the Department of the Interior has determined that as much as 14,800 acres may still be available for selection by Klukwan within the core township.

Our second concern with the legislation was the absence of criteria by which Klukwan would select its entitlement. We were concerned that Klukwan could select isolated tracts in a number of locations, thereby creating within the National Forest undesirable private inholdings which could not be feasibly managed.

As a result of discussions with the Alaska Congressional Delegation, the staff of the House Subcommittee on Indian Affairs, and representatives of Klukwan Village and the Department of the Interior, we have reached agreement that Klukwan will select the maximum amount of usable acreage within their withdrawal area and that any deficiency withdrawal will be made only after further consultation with the Forest Service. We are assured that Klukwan is interested in selecting lands in a compact and contiguous area which will permit them to manage their lands wisely and economically, and are informed that they are interested in joining with other Native villages in cooperative land management. Furthermore, Klukwan representatives have identified the specific areas of the Tongass National Forest which they wish to consider for their deficiency withdrawal and have discussed these at length with the Regional Forester for the Alaska Region. Based on his views, we do not identify any adverse impact of these withdrawals on the management of the Tongass National Forest.

Had there been sufficient time for the House to enact its own bill, we would, of course, have preferred and worked for specific statutory language embracing the verbal understandings and correspondence that have developed between the Department of the Interior, the Forest Service, and Klukwan. However, the Congressional schedule prior to adjournment has not permitted the more careful approach, and Klukwan needs a legislative remedy before adjournment, since its selection rights under existing law expire in early January 1977 before the new Congress could act. Given the legislative history established on the floor of the House, the correspondence exchanged between parties, and what we believe to be good faith on all sides, we recommend that the President sign the legislation.

Sincerely,



ROBERT W. LONG
Assistant Secretary

THE WHITE HOUSE
WASHINGTON

October 4, 1976

NOTE TO THE STAFF SECRETARY

I concur that S 2981 and
S 3651 should be signed by the President.

A handwritten signature in cursive script, appearing to read "Bradley H. Patterson, Jr.", written in dark ink.

Bradley H. Patterson, Jr.



October 7, 1976

Dear Ted:

Thank you for your note of the 27th about Kawerak. I read Mr. Leonard's letter carefully and then had a long talk on the telephone with Mr. David Dougherty, the Staff Director of the Federal Regional Council in Seattle, and have also consulted with Commissioner Thompson.

Mr. Dougherty tells me that the Federal Regional Council is currently meeting to work on the design for an accounting system which could be used by the non-profit Alaska native corporations and which would fit their needs vis-a-vis all the different Federal agencies whose funds go to those corporations. He said he did not believe that one had to go the route of the Joint Funding Simplification Act (PL 93-510) in order to institute this common accounting system. He was pretty firm, however, that any of the non-profit corporations which are experiencing the kind of problems apparent at Kawerak (which is in bankruptcy) must get their management and accounting systems in much better shape before they go after more Federal funds. The Council, through this proposed accounting system, is helping them do this.

Mr. Dougherty added that the AFN has been given money to provide managerial assistance to the non-profit corporations but he indicated that this task has not been discharged as was originally intended.

I know that Commissioner Thompson and Mr. Dougherty would be glad to discuss this situation in much greater detail with you, since they both are following it closely.

Cordially,

Bradley H. Patterson, Jr.

The Honorable Ted Stevens
United States Senate
Washington, D.C. 20510

cc: Commissioner Thompson
cc: Mr. Dougherty



JOHN L. MCCLELLAN ARK., CHAIRMAN

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JAMES R. CALLOWAY
CHIEF COUNSEL AND STAFF DIRECTOR

United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, D.C. 20510

September 27, 1976

Mr. Bradley H. Patterson, Jr.
White House Staff
White House
Washington, D. C. 20500

Dear Mr. Patterson:

Enclosed for your information is a letter from Mr. James Leonard of Kawerak, Inc., requesting your attention to a matter of concern to him.

Please note Mr. Leonard's specific interest in obtaining your assistance in regard to application procedure for utilizing P.L. 93-510.

Any assistance you might offer with respect to this matter will be appreciated. If possible, I would like to help Mr. Leonard and the Kawerak company.

With best wishes,

Cordially,



TED STEVENS
United States Senator

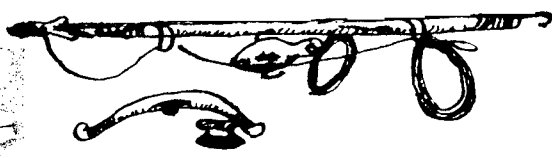
Enclosures





KAWERAK, INC.

BERING STRAITS NATIVE ASSOCIATION



September 17, 1976

Senator Ted Stevens
U.S. Senate
Washington, D.C. 20515

Dear Senator Stevens:

Attached you will find a copy of a letter from the Department of Labor rescinding Kawerak's Fiscal Year 1977 designation as a prime sponsor of Indian Employment and Training Programs under the Comprehensive Employment and Training Act (CETA). I have also enclosed a letter and attachments to the Department of Labor requesting an appeal of their decision. These letters explain the current problems that Kawerak, Inc. is experiencing and our attempt to correct past deficiencies through Chapter 11 of the Federal Bankruptcy Act.

We must protest the Department of Labor's decision as poorly conceived and a direct hinderance to our attempt to deal with a difficult problem faced by several regional Native non-profit corporations in Alaska on a systematic and legal basis. Instead of providing the technical assistance requested, the Department of Labor apparently hopes to ignore a problem area in which they were a major contributing factor. The low overhead or indirect rates allowable under this program, the requirement that direct program support such as the program coordinator's and secretarial salaries be changed to this indirect pool, and the lack of onsite pre-contract audit and technical assistance relevant to rural Alaska have all led to our current situation.

We feel that the Secretary of Labor has a moral, if not legal, obligation to Congress and our people to provide employment and training services for Natives in the Bering Straits Region. Does the Current CETA legislation require that these programs be provided in areas of extremely high unemployment?

We would appreciate a letter from your office to the Secretary of Labor requesting the expeditious handling of our appeal and supporting our re-organization efforts.

We have attempted to analyze the problems that all of the regional non-profit corporations are currently having in financial and management control and coordination of the various Federal programs that provide the funding structure for these corporations. After discussions with representatives from the Office of Management and Budget (OMB), the best solution available at this line is the utilization of the Joint Funding Sim-



Page 2.

gion X Federal Regional Council in Seattle. This process has not been utilized by any organization yet since OMB only released the guidelines July 30, 1976.

The greatest help that you and your office could provide us is to contact Mr. Bradley H. Patterson Jr. on the White House Staff who has been designated by the President to coordinate policies and programs dealing with American Indians and seek his assistance in helping us successfully complete a application utilizing P.L. 93-510. We currently plan to submit a letter of intent, a position paper on the need for Federal agency coordination and a preliminary proposal to the Federal Region X Council for their October 5 meeting. Under this new mechanism, we plan to request the coordination of the Office of Native American Programs in Health Education and Welfare, the Comprehensive Employment and Training Act in the Department of Labor and other grant programs in the Economic Development Administration of the Department of Commerce, Housing and Urban Development and Health Education and Welfare. Therefore the assistance of Mr. Patterson would be very valuable.

As you know, the Bureau of Land Management has tentatively scheduled Off-shore Continental Shelf Oil Lease Sales for 1978 or 1979 around the Bering Straits Region. It is our hope and intention to develop the organization capability to prepare the villages and people within our region for this impact. These programs of employment and training are, therefore, vital to the long-range goals and plans which the villages determine under its federation - the Bering Straits Native Association.

Any assistance that you can provide will be greatly appreciated.

Sincerely,



James R. Leonard,
Executive Vice President

Enclosure (5)
cc: File

JL:sjt



JOHN L. MCCLELLAN ARK., CHAIRMAN

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United States Senate

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WASHINGTON, D.C. 20510

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CHIEF COUNSEL AND STAFF DIRECTOR

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With best wishes,

Cordially,



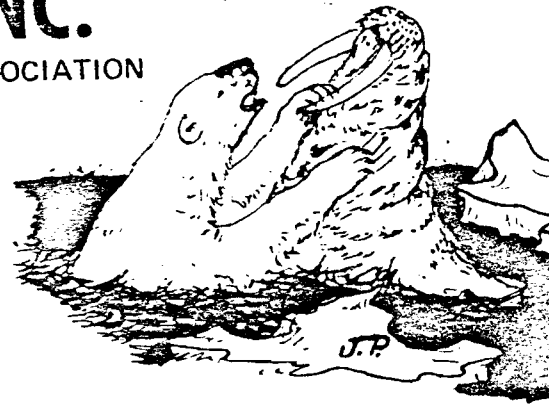
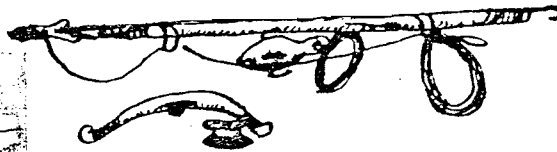
TED STEVENS
United States Senator

Enclosures



KAWERAK, INC.

BERING STRAITS NATIVE ASSOCIATION



September 17, 1976

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Washington, D.C. 20515

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We have attempted to analyze the problems that all of the regional non-profit corporations are currently having in financial and management control and coordination of the various Federal programs that provide the funding structure for these corporations. After discussions with representatives from the Office of Management and Budget (OMB), the best solution available at this line is the utilization of the Joint Funding Sim-

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Any assistance that you can provide will be greatly appreciated.

Sincerely,



James R. Leonard,
Executive Vice President

Enclosure (5)
cc: File

JL:sjt



THE WHITE HOUSE
WASHINGTON

Seattle

~~8-442-0420~~

8-399-1593

8-399-0420

David Dougherty
~~Dooney~~

399-1593
1492

1321 2nd Ave
Near Stop 130
Seattle, Wa

98101

THE WHITE HOUSE
WASHINGTON

Non-Profit
Fed JOBS &
CETA

Proposed turnover of personnel
Management & accounting
mesophthalated

Filed for bankruptcy - to
allow time for reorganization &
to hold off creditors.

Council will try to
design an accounting system for
all the Fed grant to all the
N Corps

Dusglaich

THE WHITE HOUSE
WASHINGTON

Natives admit they need
help?

learned from old
of SAC - said a
native.

We can use our
accounting system method
going to ~~find~~ 93-510

AFN^o as supposed to
promote help to the non-profit
Corps.
K

NAME OF AGENCY BUREAU OF INDIAN AFFAIRS		PRECEDENCE ACTION: INFO: GOVT PD
ACCOUNTING CLASSIFICATION	TYPE OF MESSAGE <input checked="" type="checkbox"/> SINGLE <input type="checkbox"/> BOOK <input type="checkbox"/> MULTI-ADDRESS	
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CLASSIFICATION STANDARD FORM 14 REV. MARCH 15, 1957 GSA REGULATION 2-IX-203.04 14-303
TELEGRAPHIC MESSAGE OFFICIAL BUSINESS U. S. GOVERNMENT

MESSAGE TO BE TRANSMITTED (Use double spacing and all capital letters)

OIC

DCSTTYNET COMM CENTER ELMENDORF AFB


FOR: COMMISSIONER OF INDIAN AFFAIRS, INTERIOR DEPARTMENT,
WASHINGTON, D. C.

REFERENCE TELEGRAM FROM TANANA CHIEFS CONFERENCE TO WHITE HOUSE
DATED 10-1-76. THE FOLLOWING IS A SUGGESTED RESPONSE IF ONE HAS NOT
ALREADY BEEN MADE. QUOTE YOUR TELEGRAM TO PRESIDENT FORD OF 10-1-76
HAS BEEN FORWARDED TO THIS OFFICE FOR RESPONSE. ALTHOUGH I AM AWARE
THAT THE NEGOTIATIONS BETWEEN TCC AND THE JUNEAU AREA OFFICE WERE
DIFFICULT, I UNDERSTAND THAT THEY WERE CONCLUDED SUCCESSFULLY AND
FURTHER, THAT SERVICE TO THE TCC VILLAGES AND INDIVIDUALS WAS NOT
LOST OR HAMPERED. PLEASE ACCEPT MY CONGRATULATIONS FOR THE JOINT
EFFORTS OF THE TCC AND THE JUNEAU AREA STAFFS THAT HOPEFULLY WILL
RESULT IN MEANINGFUL SERVICES TO ALASKA NATIVE PEOPLE WITHIN YOUR
REGION. UNQUOTE. SIGNED MORRIS THOMPSON, COMMISSIONER OF INDIAN
AFFAIRS.

CLARENCE ANTIOQUIA, AREA DIRECTOR, BUREAU OF INDIAN AFFAIRS.

THIS COL. FOR AGENCY USE

DO NOT TYPE MESSAGE BEYOND THIS LINE



PAGE NO. 1	NO. OF PAGES 1
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NAME AND TITLE OF ORIGINATOR (Type) Clarence Antioquia, Area Director	ORIGINATOR'S TEL. NO. 586-7177	DATE AND TIME PREPARED 10-19-76
I certify that this message is official business, is not personal, and is in the interest of the Government.		SECURITY CLASSIFICATION
_____ (Signature)		

START MESSAGE ADDRESS HERE



United States Department of the Interior

BUREAU OF INDIAN AFFAIRS
WASHINGTON, D. C. 20245

IN REPLY REFER TO:

Contracting Staff
B000-5697

Mr. Alfred R. Ketzler
President
Tanana Chiefs Conference
102 Lacey
Fairbanks, Alaska 99701

NOV 9 1976

Dear Mr. Ketzler:

President Ford has asked me to respond to your telegram of October 1 and to express his appreciation for bringing the difficulties you have encountered, in negotiating your contract with the Bureau, to his attention.

I am, as you know, aware that the negotiation of your contract with our Juneau Area Office proved more difficult than any of us expected. However, I now understand that the negotiations have been completed and that services to the villages and people, served by the contract, were not interrupted.

Please accept my congratulations for your perseverance. I feel that the efforts you have put forth, in cooperation with the staff of our Juneau Area Office, will result in meaningful services to the Alaska Native People within your region.

Sincerely yours,

JGD) THEODORE KRENZKE

Acting Deputy Commissioner of Indian Affairs

cc:

Mr. Bradley Patterson
The White House