

ALASKA NATIVE COMMISSION REPORT

JOINT OVERSIGHT HEARING

BEFORE THE

COMMITTEE ON RESOURCES
HOUSE OF REPRESENTATIVES

AND

COMMITTEE ON ENERGY AND NATURAL
RESOURCES

AND

COMMITTEE ON INDIAN AFFAIRS
UNITED STATES SENATE
ONE HUNDRED FOURTH CONGRESS

FIRST SESSION

ON

**THE FINAL REPORT OF THE FEDERAL-STATE ALASKA
NATIVES COMMISSION DATED 1994, TO EXAMINE
THE RECOMMENDATIONS PROPOSED, AND HOW THE
PROBLEMS OF NATIVE ALASKANS CAN BE IM-
PROVED THROUGH BETTER FEDERAL AND STATE
PROGRAMS**

NOVEMBER 16, 1995—WASHINGTON, DC

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FEDERAL-STATE ALASKA NATIVES COMMISSION FINAL REPORT

THURSDAY, NOVEMBER 16, 1995

HOUSE OF REPRESENTATIVES, COMMITTEE ON RE-
SOURCE; AND U.S. SENATE, COMMITTEE ON ENERGY
AND NATURAL RESOURCES, AND COMMITTEE ON INDIAN
AFFAIRS,

Washington, D.C.

The joint hearing met, pursuant to call, at 10:30 a.m., in room 1324, Longworth House Office Building, Hon. Don Young, Chairman, House Committee on Resources (presiding as Chairman of the Joint Hearing), and Hon. Frank Murkowski, Chairman, Senate Committee on Energy and Natural Resources.

STATEMENT OF HON. DON YOUNG, A U.S. REPRESENTATIVE FROM ALASKA, AND CHAIRMAN, COMMITTEE ON RESOURCES

CHAIRMAN YOUNG. This is a joint oversight hearing by the Senate Committee on Energy and Natural Resources, Senate Committee on Indian Affairs and House Committee on Resources on the Federal-State Alaska Natives Commission Final Report dated 1994. It is quite an honor for me today. Senator Murkowski will be here in a few moments, but I follow a tactic of always starting on time.

We do have some esteemed colleagues here, my senior Senator, Senator Stevens, Senator McCain; of course, Senator Inouye, Senator Campbell, and they all have busy schedules. If I could, with the will of the committee at this time, I would like to recognize my senior Senator for an opening statement. And each Senator as they finish their statement if they have to leave, do it quietly please. Senator Stevens.

STATEMENT OF HON. TED STEVENS, A U.S. SENATOR FROM ALASKA

Mr. STEVENS. Well, I have no opening statement, Mr. Chairman. I am delighted that you are conducting this hearing, and I thank all of the separate committees that are meeting here with you. It is a very important hearing. I do think that you and Senator Murkowski are to be commended for having created this Natives Commission in the first instance with the help of some of our colleagues who are here, and you did a good job. It is nice to have an opportunity to explain that report here, and I look forward to working with you to implement it as soon as possible. Thank you very much.

CHAIRMAN YOUNG. Thank you, Senator Stevens. Senator McCain, you have informed me that you have another appointment so you are recognized next.

STATEMENT OF HON. JOHN MCCAIN, A U.S. SENATOR FROM ARIZONA

Mr. MCCAIN. Thank you very much, Mr. Chairman, and it is very nice to be back with you again. You and I were here more years ago than you would like to recollect, and I am pleased to participate in this joint hearing on the conditions of Alaska Natives and on the recommendations of the Alaska Natives Commission about what can be done. I join the other members in extending a warm, Washington, D.C., welcome to the witnesses, many of whom I know have come a very long way to testify.

Last month, along with my friend and colleague Senator Stevens, I was delighted to be able to visit a small Alaska Native village called Tyonek. On that trip, I saw firsthand some of the conditions that confront many Alaska Natives throughout rural Alaska. The young and old leaders of that Native village impressed me with the dogged determination they bring to the task of improving the conditions challenging their people. I was inspired by their endurance as a people and a culture that have known great adversity.

The Alaska Natives Commission report, released in May of 1994, has given the Congress and our committees an ample record of the conditions affecting Alaska Natives. We now know from its compilation of facts and figures that the living conditions facing Alaska Natives are even more dismal than they appear to the eyes of the occasional visitor.

For example, some of the Commission's findings are simply appalling. The suicide rate among Alaska Native males in their early 20's is 30 times the national average; nearly two-thirds of Alaska Natives students in urban high schools do not graduate; the infant mortality rate of Alaska Natives is twice the national average. During the 1980's on average, one Alaska Native committed suicide every 10 days.

The picture drawn by this report reminds me of something Will Rogers once said, "Someone with a message is a whole lot harder to listen to." The main message of this report lies in its recommendations. The recommendations not only address what the Congress should do, but also what should be done by the State of Alaska, each Native village, corporation, and organization, and indeed each Alaska Native citizen.

Real hope for improving the lives of Alaska Natives rests mostly with Native people and their institutions. We in Congress can and should do our part. But as we have found with the rest of Indian country, nothing works better than a Federal policy that encourages self-determination and self-governance by Native Americans themselves.

These are the policy recommendations I find most persuasive, and I intend to work closely with my friends, Senator Stevens, Senator Murkowski, and you, Mr. Chairman, in developing more ways to bolster Native American self-governance. And, again, it has been a great privilege for me to have the opportunity to work with Senator Stevens and Senator Murkowski and you.

And I also note the longtime interest and commitment of my colleague from Hawaii, Senator Inouye, to the betterment of Native Alaskans. He has made numerous trips there, and I think he has a very not only deep knowledge but deep commitment that he and I share on this issue. I thank you very much, Mr. Chair.

CHAIRMAN YOUNG. Thank you, Senator McCain. We have a vote on, and with the indulgence of my co-Chairman, Senator Murkowski, who is now here, he will take the chair. And it will be at his discretion to recognize whoever he wishes to recognize in that time. The House members, I would suggest, should go vote and let the Senators go forth, and we will come back as soon as possible. Senator Murkowski, will you please take the chair?

Mr. MURKOWSKI. Thank you very much. It is a pleasure, Don, to chair this hearing with you. Let me ask any of my Senate colleagues if they will be with us for a while. Ben?

Mr. CAMPBELL. I will be here.

Mr. MURKOWSKI. Senator Inouye?

Mr. INOUE. I will be here till noon.

Mr. MURKOWSKI. You will be here till noon. Well, I think it would be appropriate then that you lead off. You are the former—well, I would assume that your statement wasn't going to last 15 minutes so—

Mr. CAMPBELL. I have no opening statement, Mr. Chairman. I look forward to hearing this report.

Mr. MURKOWSKI. Well, then I should put you all on notice. I do have an opening statement, but I am going to call on Senator Inouye. Senator Inouye and I have worked a long time, as well as Senator McCain and Senator Ben Nighthorse Campbell, on the Senate Indian Affairs Committee.

Senator Inouye during the time he was Chairman of that committee really expanded, I think, the ability of that committee to respond to the needs of Native Americans. And particularly we think that he has been adopted into our Alaska Native community. The many trips that he has made with his staff and his particular sensitivity to the needs of Alaskans, we are most appreciative.

I want to also recognize, of course, the current Chairman, Senator John McCain. He recently made a trip, as he indicated, up to Alaska and held a hearing on this subject with Senator Stevens. And it is always a pleasure to work with you, John, and your sensitivity not only to your own constituency in Arizona, which is a significant portion of America's Native community in transition. You have a unique opportunity to observe your system, which is a reservation system, with our system which is a corporate system and the trials and tribulations of both as we face the reality that Federal funding is in decline, welfare is in decline, and we are faced with the realities of trying to address more self-help, more independence individually.

And it is a tough set of facts in many cases because it is great to talk about jobs, but if you can't identify where those jobs are going to come from, all you have is a lot of words. Senator Inouye, we look forward to your statement.

STATEMENT OF HON. DANIEL INOUE, A U.S. SENATOR FROM HAWAII

Mr. INOUE. I thank you, sir. As one of the original co-sponsors of the measure establishing this Commission, I wish to express my gratitude to Chairman Murkowski and my Chairman, Senator John McCain, as well as the Chairman of the House Resources Committee, Chairman Don Young, and the Chairman of the Subcommittee on Native American Insular Affairs, Chairman Gallegly, for scheduling this hearing this morning on the important work, the findings and the recommendations of the Joint Federal-State Commission on Policies and Programs affecting Alaska Natives.

Several years ago, I had the privilege of visiting a number of Native villages in some of the more remote areas of the State of Alaska, accompanied by the President of the Alaska Federation, Ms. Julie Kitka, and the General of the National Guard, John Schaeffer. And much of what I witnessed in those travels is, in almost every respect, mirrored in the Commission's findings.

It is sadly true that the well-intentioned outsiders attempting to address various substandard conditions of living in rural Alaska may have caused more harm than good. When, for instance, we walked through several houses in the Village of Noorvik, one could immediately see that the manner in which the housing was designed considerably enhanced the potential for very serious injury or loss of life should there be a fire in the home, because the only door to the houses was next to the stove, which served not only as the only source of heat for the house, but which also would have been the source of any fire, thereby blocking the only exit for those trapped inside.

And because these houses were built on stilts to adjust to the changes in the permafrost, the only other possible exit, the windows in the rooms behind the kitchen, were five to six feet from the ground. And it seemed obvious that children and elders would likely sustain serious injuries if fire forced them to jump from those windows. When I inquired about the design, I was told that the architect came from somewhere in the Southwest of the United States, and to the best of anyone's knowledge had never been to Alaska.

Although they had a new water and sanitation system in this village, which, as the Commission's report documents, is a rare luxury in most of the villages of Alaska, the system had obviously not been designed with village life in mind.

The designer of the water system had not taken into account the fact that most citizens of the village would be rising in the morning around the same time, flushing their toilets at the same time, using water for washing and eating at the same time.

So not long after the system was installed, the villagers found that they had to implement a schedule for water use, staggering the water use in each household, to prevent the system from breaking down.

I think it would shock most Americans, accustomed as we have become to the amenities of contemporary life, to know that in village Alaska honey buckets serve as the most common means of human waste disposal, and that these buckets are emptied into the nearest stream or river, or that the same stream or river also

serves as the source of the village's drinking water. It is no wonder that the rates of hepatitis are so alarmingly high.

Like many other Americans, before I visited village Alaska, I had little understanding of the challenges that most Native peoples in Alaska must confront on a daily basis. After visiting village Alaska, it seemed to me that if America was ever to understand why the rates of suicide and alcoholism amongst Alaska Natives are so high, the conditions of life in Alaska were a story that had to be told.

And so I am most pleased that we hold this hearing this morning and that this documentation of the challenges confronting the Native peoples in Alaska is before us and before the American people. I would hope that all who read the report will give thoughtful consideration to its message, that the best solutions to the problems confronting Native communities can be developed by the Native people themselves.

But they will need our support because we must also acknowledge and accept responsibility for those actions of government that have either engendered these problems or which have served as obstacles to their resolution.

Support for the authority at the village level to address those matters are best handled at the village level: the protection of the health, safety and welfare of the village citizens; the exercise of governmental authority at the village level including the role of tribal justice systems in preserving the protections of the Indian Child Welfare Act; the application of Federal policies of self-determination and self-governance; the preservation of Native language and culture and the development of a sound and culturally relevant educational system; the need to sustain a subsistence way of life for many, and for others, a viable means of becoming part of Alaska's economic endeavors; the important contribution that Native people can make to the management and conservation of natural resources.

Like the other members of this panel, I look forward to the testimony of Native witnesses this morning. I hope this hearing will mark the beginning of a partnership in which we might begin to serve a more constructive role in addressing the challenges the Commission has identified. And I thank you very much, Mr. Chairman.

Mr. MURKOWSKI. Thank you very much, Senator. I am going to make a few opening remarks prior to calling the witnesses and any other members that want to make a statement.

**STATEMENT OF HON. FRANK MURKOWSKI, A U.S. SENATOR
FROM ALASKA, AND CHAIRMAN, COMMITTEE ON ENERGY
AND NATURAL RESOURCES**

Mr. MURKOWSKI. I think it is significant that this is the first joint hearing that we have had with the House Resources Committee and the Senate Committee on Energy and Natural Resources. I am very pleased to see our governor with us, Governor Knowles, and we look forward to his testimony.

A little history perhaps is appropriate. The idea of the report on the Native Commission goes back a ways. It goes back to 1989 when the Alaska Federation of Natives, Julie Kitka, in cooperation

with the University of Alaska, Institute of Social and Economic Research, known as the ISER, published a report on the status of Alaska Natives—"A Call For Action". The emphasis on action is important because actions speak louder than words someone once observed.

That report concluded, and I quote, "Despite much progress among Alaska's Natives, most Native villages are caught in a pervasive social and economic crises." As we address what to do about it, one of the conclusions that I think is most important is the recognition of the lack of job opportunity in rural Alaska.

If Congress is to do anything truly meaningful to make a difference in the lives of the people in rural Alaska, the Native people in the villages, it is going to have to support them in their quest for economic security—economic security not based on government handout, or government dole. It is based on real job opportunities and the opportunity for training associated with those jobs.

We have to begin to identify where those jobs are going to be as opposed to just talking about them. And I think we have to be specific, and if there was one lack of emphasis in that report, it was the specifics of how we are going to create those jobs because I think we all agree Alaska government has played a major role in our economy—state government, Federal Government, local government. The military has played a major role in our economy. Those are all in decline due to budgetary constrictions and a change in our national security emphasis.

What we have been blessed with in Alaska is an abundance of resources, but we have a strange mix of landowners. I wish the governor from Texas were here as is the position of the governor from Texas where the Federal Government when Texas came into the Union was not allowed to own any land—was not allowed. That was part of the compact.

The State of Alaska is owned by the Federal Government so any time we try and address a resource development project, why, we have to proceed oftentimes with the Federal agencies, or access to a project is controlled by Federal agencies and away we go. So I think it is time to recognize that we are going to have to be specific as we address the relief necessary for Alaska's Native community and to participate in the economic realities associated with opportunities that exist in our state with regard to resource development.

Now, Don and I, along with others on this committee, introduced that legislation and set up this Commission in July of 1989. As you know, the legislation passed both Houses of Congress, was signed into law by the President, President Bush, on August 18, 1990. There has been two years of research, public hearings, and task force deliberations throughout this Commission's study.

The Commission published a three-volume report in May of 1994, and I, as I have already indicated, went through that report and addressed some of the findings and conditions. I think Senator McCain has gone over it as well as Senator Inouye. Many of the highlights that are addressed with regard to the crisis situation in Alaska, whether it be water and sewer, which is nonexistent in most areas, yet, the recognition that \$1.3 billion has been spent in rural Alaska to address issues of running water and flush toilets.

I was in Venetie this summer as well as Arctic Village. I was taken out to some of the hut houses. The hut houses had been built with logs. Nothing wrong with logs, but the logs weren't peeled. If you don't peel the logs, the bugs get into the logs. There was no foundation. The logs were put in the ground so they began to rot at the base.

The roof leaked. I was asked, "Who is going to pay to fix the roof?" I said, "Well, funds probably aren't going to be available." The response was, "Well, the BIA fixed the roof last year." I mean, we have got a problem here—transition—the reality that, you know, if we are going to put in housing, it has got to be the right kind of housing. To use the local material is most appropriate, but we want to put a foundation under it so the logs don't start to rot from the bottom.

We have got high unemployment. We have 21 percent of the Native families below the official poverty line. We have talked about infant mortality. We have talked about substance abuse, and those will be included in my entire statement. We have heard about the disastrous suicide rate; the birth rate relative to Alaska Native women age 15 to 19, two and a half times the national average for teens; Native children are abused.

In some respects, the situation, of course, is not unique to Alaska. It is characteristic of other areas across the country, and it is related to lack of economic opportunity. High rates of unemployment, of course, again lead to low self-esteem and the problems associated with substance abuse.

I think what makes the case of Alaska's Natives even more severe is their extreme lack of opportunity of any kind. They simply get discouraged. The winters are long, and you look at the opportunity for a better lifestyle, and it is hard to see. Flipping burgers at a McDonald's is not an option in rural Alaska.

Furthermore, many rural economies are dependent on public expenditures. We would be hard-pressed to find anyone, I think, in this room who believes that the Federal side of public expenditures is going to go anywhere other than down in the near future. And as we look at the transition in Alaska, as you know, we have a proud people who depend to a large extent on subsistence. But in the last 10, 15, 20 years in addition to subsistence, there has been a growth in dependence on welfare. That is just a reality.

I can recall the elders talking about the introduction of food stamps and what that meant. It meant both promising alternatives, and it meant an abandonment to some degree of an effort to go after a cash economy. So we have this transition, and it is tough to work out that transition. But it is interesting to note the elders as they reflect on the efforts of relieving dependents on welfare, relieving dependents on the Federal Government, relieving dependents on the BIA.

So Alaska's Natives are trying desperately to work their way out of Federal dependency. But because of some of their successes, they now find themselves opposed at nearly every turn—and I am going to be rather specific and rather harsh here because I think it was evident of the mentality of some of the Administrations people relative to the efforts by Alaska's Natives to relieve themselves of this dependence.

The Assistant Secretary for Indian Affairs, Ada Deer, spoke in Anchorage recently at the AFN Convention and basically told our Native people they should not support—not support the opening of ANWR, not support the opening of the Arctic Oil Reserve, or the potential economic opportunities it would create. That is pretty harsh stuff when people are trying to relieve their dependence on the Federal Government.

After the Alaska Federation of Natives executed their vote in favor of opening up the Arctic Oil Reserve by a vote I believe of 19 to 9, the Assistant Secretary said, and I quote, "It is reprehensible to try and balance the budget by risking damage to the environment, the wildlife, and the traditional ways of the villages." Now, here we have the Secretary of Indian Affairs telling the Native people they should not support economic development, jobs, or a tax base in their area.

Well, one can conclude perhaps two or three things from those remarks. One, the Assistant Secretary does not perhaps trust the Native people of our state to make their own decisions when, in fact, it is precisely the recommendation that this report concludes that it is the only way for the Native people of our state to look for relief from their situation of unemployment.

Secondly, the Assistant Secretary evidently does not think the Natives are concerned about their own environment. Well, I might suggest that if you are cold, if you are unemployed, dependent on public dollars, the environment is a factor. But the recognition that if there is any group that is more committed to the protection of the environment it is the Alaskan Native people in rural Alaska. They understand, they appreciate the renewal of resources, the caribou, the moose, bear. And if any group is committed to ensure continuity and the protection, it is the Native people.

The third response of the Secretary, that she wants rural Alaskans, especially the Eskimo people, to be dependent—dependent on the Bureau of Indian Affairs. Well, my co-Chairman here may have something to say about his feelings. I certainly feel this is contrary to self-help.

So, Mr. Chairman, all these things that were stated by the Assistant Secretary of Indian Affairs are inaccurate, especially the issue of dependence which was made clear in the Commission's report. And I think the people of Alaska, the Native people, know that difference.

They know that dependence kills self-initiative. It breeds a welfare society. Alaska's Native community wants to follow the American way, the way of independence, self-help, individual responsibility, family values, sense of community. The Alaska Natives know that there are not enough tax dollars in the world to teach our children the values they need to learn. As hard as government may try, we cannot give our children money and expect them to know the value of the hard work, and that is what is coming forth from the Native elders as I hear their message.

Dr. Robert Alberts of the Advisory Council of the Alaska Native Foundation said, and I quote, "After many years of research, I agree fully with what the Native elders have told me. The true nature of the sickness which runs throughout the Native villages is the state of dependency. Everything else is of secondary value."

If the Alaska Native people are to combat the problems that exist today, we must start with providing them with the hope that their economic situation will improve. By providing real jobs, that is identifying real jobs associated with Alaska's abundance of resource, and real wages to rural Alaska, we will begin to restore the spirit of Alaska's Native people.

Authorizing oil exploration and leasing in the Arctic Oil Reserve is the biggest single step that we can make now with regard to providing opportunities in that segment of northern Alaska and, for that matter, all Alaska.

We are all aware in Alaska that we have an excellent job corps training center in Palmer so rural and Native people from all over Alaska can have an opportunity if we have jobs. Yet, we find our Secretary of Interior, Secretary Babbitt, opposing ANWR; supporting a very small segment of our Alaska Native people; namely, the Gwich'ins, about one percent of the native people, who oppose opening ANWR, who are funded by the preservation and the environmental community as we acknowledge some of the full-page ads in the New York Times and who pays for them.

I don't want to get on my soapbox about America's environmental community, but it is fairly interesting to note that, Don, of the 12 major environmental groups in America today, their collective net worth totaled 1 billion, 30 million. Their income last year was about \$638 million. They are a big business, and they have a cause. Their cause is ANWR. They are opposed to it. They generate dollars, and they generate membership.

They don't have to live up there. They don't know what it is like not to have running water. They don't know what it is like not to have a tax base. They only know what it is like to live in Washington or New York City, but they don't see the Alaska that many Alaskans live in and who want opportunities for jobs and a better way of life.

Mr. Chairman, at the beginning of my remarks, I referred to an '89 report that stated, and I quote, "Most Natives remain poor by any American standard." I would like to add an exception to that by saying that Alaska's Native people are among the richest people in the world in terms of their pride, their honor, their determination, and their heritage.

So our challenge as laid out in the authorizing language in this report is to help assure that Alaska Native people have life opportunities comparable to other Americans while respecting their unique traditions, their cultures, and their special status as Alaska Natives.

Because as evidenced by the oversight responsibility of this committee, we have two different systems in America with regard to the Native settlement, the claims, and the manner in which the Natives themselves live; one group on reservations, another group on a corporate status. So I have wandered long enough, Don, but I look forward to hearing from the witnesses. I want to thank those members of the Commission who worked so hard on the report, the AF of N, the principals of the AF of N, the state, our governor, and you, Mr. Chairman. And I would ask the full text of my remarks be part of the record.

[Statement of Mr. Murkowski follows:]

STATEMENT OF HON. FRANK MURKOWSKI, A U.S. SENATOR FROM ALASKA

Mr. Chairman, thank you for inviting the Senate Committee on Energy and Natural Resources to participate in this hearing on the report of the Alaska Natives Commission in regard to the status of Alaska's Native people.

The idea for this report dates back to 1989, when the Alaska Federation of Natives, in cooperation with the University of Alaska's Institute for Social and Economic Research (ISER), published its "Report on the Status of Alaska Natives: A Call for Action."

That report concluded that "despite much progress among Alaska Natives, most Native villages are caught in a pervasive social and economic crisis . . ."

The report further concluded that ". . . because opportunities for advancement in the mainstream culture are severely limited, most Natives remain poor by any American standard. And on top of all the cultural and economic problems, a significant minority of Native people is being systematically destroyed by alcohol and other drugs—and by the violent behavior that chemical abuse unleashes within families." The ISER report merely scratched the surface and in July of 1989, I was happy to introduce legislation along with you, Mr. Chairman, creating the Alaska Native Commission.

This legislation passed both houses of Congress and was signed into law by President Bush on August 18, 1990.

After two years of research, public hearings and task force deliberations, the Commission published its three-volume report in May of 1994.

Having gone through the report I wanted to highlight some of its findings on the conditions facing Alaska Natives:

Over 50% of villages have no running water or flush toilets—that is after more than \$1.3 billion have been spent in rural Alaska;

Economies precariously dependent on public expenditures;

Over 20% of the Native work force was unemployed;

In 1/3 of villages male unemployment is 32% or greater;

21.5% of Native families are below the official poverty line;

Native infant mortality and fetal alcohol syndrome rates are more than 2 times the National average.

Mr. Chairman, what is the result of these difficult social and economic circumstances for Alaska Natives? The result is:

An average of 1 native suicide every 10 days;

A suicide rate among Alaska Native males age 20–24, more than 30 times the National average;

59% of Alaska inmates are Native;

A Native death rate, most of it alcohol related, more than three times the National average;

A birth rate among Alaska Native women age 15–19, greater than 2 1/2 times the National average for teens;

Native children abused 55% more than children Nationwide.

In some respects this situation is characteristic of many communities across the country. Lack of economic opportunity, high rates of unemployment, lead to low self-esteem, high rates of drug and alcohol abuse, and then to high rates of crime and loss of life.

What makes the case of Alaska Natives even more severe is the extreme lack of economic opportunities on any kind.

Flipping burgers at a McDonalds is not an option in rural Alaska.

Furthermore, many rural economies are dependent upon public expenditures. We would be hard pressed to find anyone in this room who believes that the Federal side of public expenditures is going to go any where down in the near future.

Alaska Natives are trying desperately to work their way out of Federal dependency.

Because of some of their success at this they now find themselves opposed at nearly every turn by the Assistant Secretary for Indian Affairs, Ada Deer, who spoke in Anchorage recently at the AFN Convention and told the Natives they should not support opening of the Arctic Oil Reserve or the potential economic opportunities it would create.

After the Alaska Federation of Natives Executive Board voted in favor of opening the Arctic Oil Reserve by a vote of 19–9, the Assistant Secretary said, "It is reprehensible to try and balance the budget by risking damage to the environment, the wildlife and traditional ways of villages."

One could conclude three things from her remarks:

1. The Assistant Secretary does not trust the Natives to make their own decisions—when in fact it is precisely that recommendation that this report concludes is the only way to get the Natives out of their situation.

2. The Assistant Secretary does not think the Natives are concerned about their environment—I might suggest that cold, unemployment, and dependent on public dollars is an ugly environment that all Alaskans are very concerned about.

3. That she wants rural Alaskans, especially the Eskimo people, to be dependent on the Bureau of Indian Affairs.

Mr. Chairman, all these things are false. Especially the issue of dependence which was made clear in the Commission's report.

Native Alaskans know that dependence kills self-initiative; it breeds a welfare society. They want to follow the American way, the way of independence, self-help, individual responsibility, family values, and sense of community.

The Alaska Natives know that there is not enough tax dollars in the World to teach our children the values they need to learn. As hard as government may try we cannot give our children money and expect them to know the value of hard work!

Dr. Robert Alberts of the Advisory Council of the Alaska Native Foundation said, "After many years of research I agree fully with what the Native elders have told me. The true nature of the sickness which runs throughout the Native villages is the state of dependency . . . everything else is of secondary nature."

If Alaska Native people are to combat the problems that exist today, we must start with providing them with hope that their economic situation will improve.

By providing real jobs and real wages to rural Alaska we will begin to restore the spirit of the Alaska Native people—authorizing oil exploration and leasing in the Arctic Oil Reserve is the biggest and best step we can take.

Mr. Chairman, in the beginning of my remarks I referred to a 1989 report that stated, and I quote, ". . . Most Natives remain poor by any American standard . . .", I would like to add on an exception to that by saying that Alaska's Native people are among the richest people in the World in terms of their pride, honor, and determination.

Our challenge, as laid out in the authorizing language of this report, is to help assure that Alaska Natives have life opportunities comparable to other Americans, while respecting their unique traditions, cultures and special status as Alaska Natives.

I look forward to hearing from the witnesses.

Thank you, Mr. Chairman. And I ask that the full text of my remarks be part of the record.

CHAIRMAN YOUNG. Thank you, Senator Murkowski. I would like at this time—

Mr. CAMPBELL. Mr. Chairman?

CHAIRMAN YOUNG. Yes, Senator Campbell.

STATEMENT OF HON. BEN NIGHTHORSE CAMPBELL, A U.S. SENATOR FROM COLORADO

Mr. CAMPBELL. Thank you. I am going to make a statement, and I don't have a prepared one, but I would like to reflect just a little bit on Senator Murkowski's comment. I think that the problems Native Alaskans face are probably the same that all Native Americans face but much more severe partly, probably, from the isolation from major metropolitan areas.

I know in our State of Colorado, in the city of Denver, for instance, there are about 25,000 Native Americans. But of that population, I doubt if 500, perhaps even much less than that, are from landbased groups within the boundary of Colorado. They come from Pine Ridge which is about eight hours' drive or some of the other reservation areas outside of the state because they know there is a little more opportunity to get a job in the city. You can't do that in Alaska. There is no million population base as we have in the lower 48.

And, clearly, the Native Alaskans face the same thing that other Native Americans do and that is this so-called state of dependency.

Given a choice 100 years ago, they wouldn't be dependent on anybody. No Native Americans would be. So it is from my perspective kind of a forced dependency, and there is no question in my mind that throughout the history of America there are people in every Administration that would prefer to keep them in that state of forced dependency if they could.

And even though they talk a lot about self-sufficiency and all those wonderful poetic ideas of helping Native peoples get off their knees and work for themselves, when it comes right down to giving them the latitude to do it, the tools simply aren't there. They pull the tools away from them.

And I look at the numbers. I was looking in my friend, Julie Kitka's, testimony a few minutes ago—I don't know what page it was on now—but about the population growth of Native Alaskans. I mean, all you have to do is look at those statistics and realize that the traditional subsistence methods of staying alive simply are not going to sustain the growing Native population of Alaska. The population is growing too fast. And I understand there are about 90,000, or something, known Native Alaskans.

In another decade or another two, whatever the goal is, whatever the timeframe is out there, that population is going to double. And, clearly, the alternative to those traditional industries are going to be new industries that don't rely on massive transportation, shipping, big metropolitan areas, and so on. And to me, that leaves just pretty much one area, and that is landbased industries.

And I agree with you, Mr. Chairman, that unfortunately we have now a system in the Administration or a group of people that simply don't want the development of landbased industries. And we see it in almost all the western states. They talk a lot about multiple use, but when you try to do anything that requires using the land or mining or oil or whatever, you run into this buzz saw over there of antiuse rhetoric.

And it has really bothered me to see the position it puts Native Americans, and particularly Natives of Alaska, because they simply don't have the alternative. But you know as I do that there is no new wealth anywhere unless it comes from the land. Everything else—wealth in this country is made by transporting, by packaging, by trading on Wall Street, by transforming, something in that nature. But if you track anything, whether it is wood, fiber, meat or whatever it is, minerals, it all comes from the land at point of origin.

And it seems to me that virtually the only alternative that Native Alaskans face, perhaps all Alaskans but certainly to a much bigger degree Native Alaskans, is we have got to enable them to somehow use the resources of the land to develop those new industries.

And I have absolute confidence in the Native Alaskans that they are not going to spoil the earth in doing so. I think that their cultural traditions are going to make them very, very concerned about it and very aware of it, and they have got to have the opportunity to do it and at the same time protect the earth that they live on. Thank you, Mr. Chairman.

CHAIRMAN YOUNG. Thank you, Senator Campbell. Senator Inouye, I believe you are the last one that has not been recognized.

You have spoken. Is there anybody else who would like to speak at this time? The gentleman from Samoa would like to say a few words. My good friend, have you got your shoes on today, or have you got your sandals?

Mr. FALEOMAVAEGA. No, I don't have my shoes on.

CHAIRMAN YOUNG. Well, I was wondering.

Mr. FALEOMAVAEGA. I still have my sandals on.

CHAIRMAN YOUNG. He was down at the White House signing the other day, and he didn't have any shoes on. I didn't recognize him, but go ahead.

**STATEMENT OF HON. ENI FALEOMAVAEGA, A U.S. DELEGATE
FROM THE TERRITORY OF AMERICAN SAMOA**

Mr. FALEOMAVAEGA. Mr. Chairman, thank you. I want to thank you and Chairman Murkowski for calling this joint hearing especially as we review the recommendations offered by the Alaska Natives Commission that has been established by law to hopefully give the Congress better insight and to address some of the serious social and economic issues affecting the Native Alaskan people in the State of Alaska.

Nothing pleases me more, Mr. Chairman, than to note that even though we only have one member representing the largest state in our country, and the fact that holding the leadership helm and being the Chairman of this committee, pleases me more than the fact that the years that I have served as a member of this committee and that despite the differences perhaps of the ideologies that we profess here in this committee, but when it comes to issues affecting Native Americans and Native Alaskans, I know the Chairman of this committee has always been at the forefront.

And not only being sensitive, but demonstrating outstanding leadership to provide for the kind of legislation that is needful for the needs of the Native Alaskan community not only from his own state, but certainly for the needs of Native Americans throughout the country.

I certainly would like to also pay a special tribute to the gentleman sitting next to me, the gentleman from the State of Hawaii, the good Senator Inouye, for the initiatives that he has taken over the period of years because, and I will say it quite frankly, Mr. Chairman, even through our times as the majority party in the Congress that somehow when we deal with Native American issues, Native Hawaiian issues, Native Alaskan issues, we kind of put it on the back burner like either if it is too sensitive for the members to consider seriously the issues affecting the lives of this sector of our American society as the worst off.

Somehow it has not been a good experience in my observations of how we have had to handle the needs of our Native American community. I recall that even in the organizations over the years of our own committee here in the House, we never had even a subcommittee.

It was taken on an ad hoc basis when it comes to dealing with Native American issues, sending a very strong signal to the Native American communities throughout the country. It seems that there never seems to be that high of a priority when it comes time for

the Congress to seriously consider the issues affecting our Native American community.

So, Mr. Chairman, and I say I couldn't think of a better combination that not only as a former territory of the United States, I think I can certainly say that you have a real sensitivity to the issues—what it means to be a territory at least for this member representing a territory—what we have to go through in trying to fight not only with the bureaucracy at times, but even with the members who necessarily may not be as sensitive to the issues affecting the Native American community.

On the question of ANWR, I want to commend the Chairman for personally consulting with me, as well as the ranking Democrat on our Subcommittee on Native American and Insular Affairs, and the fact that the first question that I raised with the Chairman was where do our Alaska Native communities lie on this issue.

And I was very happy not only to have the privilege of discussing the matter with Governor Knowles, but that several of the Native Alaskan organizations and associations were very helpful in helping me to make my decision; the fact that I supported ANWR very much; the fact that this will be an economic—will be giving tremendous economic opportunities for our Native Alaskan communities throughout the State of Alaska.

I also note with interest that we do have one Native Alaskan community that is against ANWR for the fear of the situation with the caribou, but I hear stories to the contrary; the fact that the Alaska Pipeline has been one of the great helps not only to the environment, but the fact that it has increased the population of the caribou. This has been one of the main concerns that this particular tribe has had over the years.

So with that in mind, Mr. Chairman, I want to thank you both for holding—I hope that in the coming weeks and months that we will continue perhaps to hold joint hearings of the sort so that we can expedite perhaps some of the real critical bills affecting Native Americans, and certainly hope with my own insular areas that we can look at these issues with the fact that we have got some very, very strong supporters, their sensitivities, and the leadership that is demonstrated both in the Senate as well as in the House. And for that I commend you both for having this joint hearing, and I thank the Chairman for the opportunity.

CHAIRMAN YOUNG. I thank the gentleman. Governor, excuse me, you were absent. I will recognize the governor.

STATEMENT OF HON. CARLOS ROMERO-BARCELÓ, A U.S. RESIDENT COMMISSIONER FROM THE COMMONWEALTH OF PUERTO RICO

Mr. ROMERO-BARCELÓ. Thank you, Mr. Chairman. Mr. Chairman, I came to this hearing not only because I am a member of the subcommittee, but also because I, like my colleague, Faleomavaega, from Samoa, as a representative of U.S. citizens in Puerto Rico, have been subject to decisions that were made even without being consulted.

I know very little about Alaska except for what I have read, but I had the opportunity to go to Alaska—a trip that we made recently. And I feel I know a little bit now, at least much more than

I did particularly from the point of view and the attitude of the Native Alaskans and all of the people in Alaska.

And sometimes to try to tell others what to do with their land or with their environment from a distance, I think, seems a little bit kind of arrogant. We have to first of all take into consideration what the people themselves have to say and how they feel about it and what their needs are. In this day and age there certainly are controls about any—whatever injury to the environment might be because there are so many ways to control and to at least limit them considerably so that people can also make use of the land to open up opportunities for themselves.

Right now, as the Representative of Puerto Rico, I am seeing that even some of our colleagues just because they were born in Puerto Rico are trying to tell us how to do things in Puerto Rico without heeding what the elected representatives and the elected governor of Puerto Rico want.

So I feel very much sympathy for the position of the people of Alaska, and I just wanted to make that known and say that the first thing that we have to take into consideration are the needs of the people in this local situation and hear what the local people have to say about how they want to do it and what they can do. And from our point of view, we should only be concerned with whatever controls or systems can be established to prevent whatever damage could be the cause, if any, to the environment.

CHAIRMAN YOUNG. I thank you, Governor. The gentleman from Hawaii, Mr. Abercrombie.

**STATEMENT OF HON. NEIL ABERCROMBIE, A U.S.
REPRESENTATIVE FROM HAWAII**

Mr. ABERCROMBIE. Thank you, Mr. Chairman. I just want to reiterate what I am sure that you know already and what Senator Inouye no doubt has emphasized, that we have a special relationship, Alaska and Hawaii. We were territories together. We came into the United States together.

I think that there is a special affinity that will always be there between Alaskans and Hawaiians, and I just want to welcome our brothers and sisters from Alaska here today and let you know that those of us in Hawaii will always remain sensitive to the issues affecting Alaska and Alaska's natives.

CHAIRMAN YOUNG. I thank the gentleman. I do have an opening statement, but at the discretion of the Chair, I will submit it for the record.

[Statement of Mr. Young follows:]

**STATEMENT OF HON. DON YOUNG, A U.S. REPRESENTATIVE FROM ALASKA, AND
CHAIRMAN, HOUSE COMMITTEE ON RESOURCES**

I would like to welcome our colleagues from the Senate Committee on Energy and Natural Resources and from the Senate Committee on Indian Affairs. I also want to extend a special welcome to our Alaska witnesses.

We have a very impressive lineup today: Governor Tony Knowles; Mary Jane Fate, Co-Chair of the Alaska Natives Commission; John Schaeffer, Commission member; Julie Kitka, President of the Alaska Federation of Natives; Harold Napoleon, AFN Special Assistant; Chancellor Lee Gorsuch, University of Alaska; Dr. Walter Soboleff, Distinguished elder of the AFN; Ms. Melissa Berns, AFN Natives Youth Chair; Sarah Scanlon, Vice President of NANA Human Resources; and Doug Webb of the Alyeska Pipeline Service Company.

This is a joint oversight hearing on the Alaska Natives Commission report on May 1994. The report provides an in-depth study of the social and economic status of Alaska Natives. It makes specific recommendations to Congress, the President, the Governor of the State of Alaska and the Alaska State Legislature.

The report was written in response to an earlier report on Alaska Natives titled "Report on the Status of Alaska Natives: A Call for Action". That earlier report portrayed a severe crisis faced by Alaska Natives. Since the 1960's, Alaska Natives have experienced some of the highest rates of suicides, accidental deaths, alcoholism, homicides, fetal alcohol syndrome, and domestic violence in the Nation.

The Alaska Natives Commission was formed after Chairman Frank Murkowski and I introduced legislation to conduct an in-depth study of those programs and policies of the Federal and State governments which provide services to Alaska Natives, and to report on the reasons why these programs are not working. Our legislation also mandated that the report include recommendations on how to address the exceedingly unstable social and economic status of Alaska Natives.

Today we will receive testimony concerning these recommendations. I look forward to hearing how we can address and solve what has been a social and economic crisis of shocking proportions.

CHAIRMAN YOUNG. I would like at this time to bring the first panel up and begin the hearing, and the witnesses will please step to the table. The first witness is the Honorable Tony Knowles, Governor of the State of Alaska, and Mary Jane Fate, Co-Chairman of the Alaska Natives Commission, Fairbanks, Alaska, who will be accompanied by General John Schaeffer—it says he is retired—Commission Member of the Alaska Natives Commission. Would you please take the witness stand? And if there ever was a rose between two thorns, there is a classic example right there.

Governor, let me apologize for not meeting with you this morning. I will tell you right up front, as I told my staff, it takes me about an hour and a half to get here by 8:15. The traffic here is horrendous. I envy those that do not have the automobile gridlock that we have here. Even with the so-called government shutdown, the traffic is terrible.

But I have understood that we had an excellent meeting, and I do appreciate your being here today; being the governor, your interest in the Alaska Native group which supported you very strongly in the last election and for that I commend you. So with no further ado, Governor, you are on. And after all our presentation today, I am reluctant to suggest if you can keep it to five minutes, fine. If you can't, we will be very, very lenient in the time that is used. Governor Knowles.

MR. MURKOWSKI. I have got a basement apartment for rent if you want to move a little closer to the Hill.

CHAIRMAN YOUNG. Well, after what happened to Senator Campbell yesterday and my good friend George Gekas, I am not exactly sure I want to do that. But, Governor, you are on.

STATEMENT OF THE HONORABLE TONY KNOWLES, GOVERNOR, STATE OF ALASKA, JUNEAU, ALASKA

Governor KNOWLES. Thank you very much, Chairman Young, Chairman Murkowski, and committee members. My name is Tony Knowles, and as Governor of Alaska, I am thankful to have the opportunity to be here today. And I am particularly thankful to join the distinguished Alaskans that will provide further testimony. It is important that you are taking time to hear about the Alaska Natives Commission report, and I am pleased to be able to add my thoughts to the record.

When it was released in May of 1994, this report triggered an emotional response from many of us in Alaska, especially from the Native community. It documents deep-seated problems and does provide a road map of accomplishing significant progress. The report concisely and correctly identifies the most serious problem in much of rural Alaska. It states, and I quote, "The true nature of the sickness throughout Native villages is the state of dependency which has led to the loss of direction and self-esteem."

The solution to that problem is just as clearly stated in the three main principles of the report: self-reliance, self-determination, and preserving the integrity of Native cultures. I believe the number 1 tool for fixing the problems in rural Alaska is jobs. Good jobs are the key to economic security. And by giving people a sense of self-worth and self-reliance, whether they live in Ketchikan or Kwethluk, good jobs are the antidote to social problems like alcoholism, child abuse, or suicide.

And despite many of the grim statistics in the report, there has been some considerable progress in some rural areas. The number of jobs are at an all-time high in Bethel, Nome, the Northwest Arctic Borough, Dillingham, and the relatively new Lake and Peninsula Borough.

Partnerships between the state, the Federal Government, and the Native corporations and organizations have been keys to many of the successes. They have helped to inject some new fuel into what are often stagnant and slow-burning economies. This can be most clearly seen in the development of Prudhoe Bay where partnering among Native corporations and oil support companies have provided some economic opportunities for Native Alaskans.

I saw it firsthand last winter when I visited a drilling rig on the North Slope. I met a team of roughnecks from interior villages. The driller, a Native Alaskan, had been with the company for more than 10 years, and all of them were bringing home good paychecks.

The Red Dog lead and zinc mine and silver mine near Kotzebue is another example of a public-private partnership. That project already employs about 300 people, many of them Native Alaskans from the local area. And that mine is soon going to expand, investing an additional \$50 million for new storage and conveyor facilities. And the private sector is going to put up an additional 100 million more.

Now, I would also remind that the Federal Government played an important role in getting this project off the ground by permitting a road to pass through a national monument. Another example of a partnership and certainly with the Federal Government and Congress is the CDQ fishery program underway in western Alaska. That is the Community Development Quotas. And with the help of Congress, this program is bringing new fishing jobs and greater income to many villages.

There are many other examples of partnerships between Native corporations and private sector companies, partnerships such as the NANA-Marriott which provides food catering to the oil fields. CIRI, Doyon and NANA all are part owners of the Endicott oil field. Doyon provides drilling services for BP and ARCO.

Ahtna and Alyeska are partners in servicing the trans-Alaska oil pipeline. And the Arctic Slope Regional Corporation is now one of

the largest oil field service companies through subsidiaries like the Alaska Petroleum Contractors.

And just last month as part of a Native hire agreement, the Alyeska Pipeline Service Company announced at the AFN meeting a \$25 million program for training, recruitment, scholarships, and employment. And the goal is to put more Alaska Natives to work in the corridor.

Now, it would be wrong to suggest that the record is perfect, far from it, but it gives us a framework, a start, and a solid basis for hope. And a true partnership is a two-way street where each partner has responsibilities as well as opportunities. And it is incumbent upon Alaska's oil industry and its partners to hire Alaskans and Alaska companies. In turn, the state is obligated to be a clear, consistent, fair, and responsive partner on the customer side of the counter.

Despite all the progress, however, there are problems in rural Alaska that are very real and all too troubling. Employment—and at the national level we sometimes consider if we got to eight percent unemployment, it would be a recession, 10 percent would be a depression, and I would ask you what would you call the situation that exists in many of rural villages where there is 70 and 80 percent unemployment.

Let me give you a few quick statistics from the Alaska Natives Commission report. In the quarter-century ending in 1989, the rate of suicide among Alaska Natives increased 500 percent. Half of those were among the young Natives aged 15 to 24. That is four times the national average. Hepatitis is considered endemic in many Alaska villages, the result, as Senator Inouye pointed out, of people having to handle their own human waste.

Hepatitis A in rural Alaska is 36 times the national average. Cases of fetal alcohol syndrome among Alaska Natives are more than twice the national average, and tragically so is the infant mortality rate. To me, those grim numbers highlight, again, looking to the number 1 tool that I identified, to provide for the self-esteem, self-worth, and self-reliance is economic development.

I believe the benefits of those developments are first and foremost jobs and, secondly, basic services, and these are at the core of the Native Commissions call for self-reliance in the villages.

It is government's role I believe at both the state and Federal level to help build the foundation for that self-reliance. And to do that, we have to make sure they have the right tools and some of the same tools that other Americans take for granted; solid schools, improved sanitation, decent health care, and something unique to Alaska, the ability to continue cultural traditions like subsistence hunting and fishing.

That is why we in Alaska find it so vital to develop our mineral and other natural resources. And there is no more important development opportunity than in the Arctic National Wildlife Refuge. Some of you have heard me talk about that before. I am sure you have heard from the two committee Chairmen from Alaska who talk about it often and forcefully.

And there is a reason for that passion. Oil production has already paid for countless improvements throughout Alaska including rural areas. If it continues to do so, if it is to help put the tools

of self-reliance in place, then environmentally sound development in ANWR is essential.

Let me give you a few numbers about the benefits Alaska has enjoyed as a result of oil development in our state. Eighty percent of all the revenues in the Treasury comes from the oil industry, and since Prudhoe Bay started pumping in 1977, Alaska has spent billions of dollars in rural Alaska.

Some of the big ticket items include \$1 billion in direct grants for construction needs, including \$300 million on rural water and sewer projects; 400 million in state revenue sharing for rural communities; 300 million for construction of rural schools; 35 million for village electrification projects; 7 million to upgrade village health clinics, and the list goes on.

As we talk about the needs of rural Alaska, my point is without a healthy oil industry, there is no way the state could have afforded these investments. Instead, the financial burden would have rested squarely on the Federal Government. Certainly Congress has committed millions to rural Alaska over the years, but without the help of a healthy state economy, the pressure would have been intense for even more Federal spending.

The bottom line is this. Alaska has benefited greatly from oil production. While we have made progress, there is a lot more to be done. And sensible oil development in ANWR can keep us headed in the right direction.

While I am on this subject, let me point out what I believe is an irony in the whole ANWR debate. Current sentiments in Congress are to decentralize control, to assume, and I agree, that the best decisions about people's lives are made by those people and at the level of government closest to the people. That is certainly true when it comes to social services and the congressional desires for block grants.

But why are some so intent on making local decisionmaking when it comes to the delivery of social services and yet oppose it when it comes to economic development? Let me put it perhaps in a different way. In an era of budget cutting, the government just can't walk away from rural Alaska and say, "You are on your own. It is time to be self-reliant." The government needs to make sure the proper tools are in place as the funding is gradually reduced. And giving people the ability to develop sensibly the natural resources in that area is critical.

The discussion about progress in rural Alaska must talk about a healthy oil industry, and that is why the Alaska Federation of Natives after a long debate voted last month to support oil exploration in the Arctic Refuge. Now, that vote was not taken lightly. Dominating the long hours of debate was the special relationship Alaska Native people have to their land and to the wildlife and fish that inhabit it. That relationship, of course, centers on subsistence.

A very legitimate concern has been expressed about the development and its effect upon caribou. That vote taken by the AFN would not have prevailed if there was any doubt that development can and will take place only with a guaranteed protection of subsistence wildlife. Protecting traditional subsistence way of life is a top priority of my administration.

Others have tried to resolve some long-running disputes over subsistence hunting and fishing rights. And the legislature in recent years has refused to allow Alaskans to vote on the issue. I think it is time to move forward, and I would note that subsistence is mentioned not just as a way of preserving the important cultural traditions that the report highlights, but it is also the number 1 employer in rural Alaska. It is an essential source of jobs.

We are working right now on concepts that will take into place two consensus points; one, that subsistence use shall be a priority for fish and game, and, secondly, that we need a unified management of our resources. There is a special relationship between Congress and the Alaska Native community on oversight issues, and we don't want to jeopardize that relationship in the subsistence area.

But amendments to ANILCA, the Alaska National Interest Lands Conservation Act of 1980, may be a necessary part of any lasting subsistence solution. So will amendments to state statutes and the state constitution.

Many of the recommendations of the Alaska Natives Commission report include the importance of preserving the subsistence way of life, and that won't be achieved without a steady, stable source of revenue. All of Alaska will suffer as oil production tails off. Rural Alaska is likely to suffer most.

Here is just one example—improvements to rural sanitation. I have said we should put the honey bucket in the museum within 10 years. I am absolutely committed to that goal. Alaska Natives aren't second-class citizens, and they shouldn't have to live in Third World conditions. Yet right now, half of Alaska's villages still use plastic buckets for toilets or pit privies for rest rooms.

It will cost money to change that, as much as 1 billion more to give all Alaskans the same safe water and sewer facilities that other Americans take for granted. This year alone, 45 village sanitation projects are under construction. As you listen to the talk of other people today about the needs of rural Alaska, please keep one thing in mind. The call for self-reliance in the villages is from the heart. It comes from the people who live there.

It is a call I fully support. I have adopted the Alaska Natives Commission report as a road map for my administration to progress in rural Alaska. It is a call to end the long cycle of government dependence. It is a call from village Alaska to assume more responsibility. It is our role as elected leaders to hear that call and to help lay the groundwork for self-reliance. How? By creating decent jobs, by ensuring education and training, by making sure basic health services are in place, by providing the good schools and modern sewer and water facilities.

We have I think a historic opportunity to make a difference. I want to thank the Native people of Alaska for their leadership in that report. I thank our congressional delegation in Congress for the vision in providing the forum for this report. And I welcome the privilege of taking action in partnership on this important mission. Thank you very much.

[Statement of Governor Knowles may be found at end of hearing.]

CHAIRMAN YOUNG. Thank you, Governor, for an excellent presentation in bringing to light the role of the state and what you are endeavoring to do. I now recognize the lady, Mary Jane Fate, and, Mary Jane, please don't take offense. I do have to take a phone call for about four minutes, and I will be back. In the meantime, Senator Murkowski will be the Chair. But, Mary Jane, you are on.

STATEMENT OF MARY JANE FATE, CO-CHAIR, ALASKA NATIVES COMMISSION, FAIRBANKS, ALASKA; AND JOHN SCHAEFFER, ADJ GENERAL [RETIRED], COMMISSION MEMBER, ALASKA NATIVES COMMISSION

Ms. FATE. Mr. Chairman of the committees, as well as the members of the committees, good morning, and ladies and gentlemen, our Alaskans that are with us today. I am Mary Jane Fate. I am Co-Chair of the Alaska Natives Commission. I am Athapaskan Indian, having been raised traditionally in and around the Village of Rampart located on the Yukon River. I live in Fairbanks today. Our family traveled from Muskrat camps in the springtime, to traplines in the winter, to fish camps in the summer. So we used our village more or less as a source of supplies and some part of our education.

The Joint Federal-State Commission on Policies and Programs affecting Alaska Natives, hereafter referred to as the Alaska Natives Commission, was formed by Congress in August of 1990. It would through Public Law 101-379. The Commission's undertaking was jointly funded by the Federal Government and the State of Alaska.

The Commission included members appointed by the President of the United States and the Governor of Alaska in 1992. We have 14 commissioners of which today three are here. Including myself we have General John Schaeffer, Dr. Walter Soboleff, and you will be hearing from them later.

We also had a number of ex-officio members of which you were a part of the ex-officio members, nonvoting members, as well as from the state. And like you, we commissioners were a very diverse group, and we experienced our differences. The fact that we were not all alike was one of our most important strengths.

On behalf of the Alaska Natives Commission, I convey our heartfelt thanks and sincere gratitude to each and every one of you. We especially want to thank individual Alaska Natives who came forward telling us what they wanted more than anything else, and the testimonies totaled about 2,500 pages. The Commission listened and the resulting options are before this committee today. In a short 18-month period, the final report was on your desks, and that final report is our testimony. Please include this report for inclusion in the printed hearing record. The report was presented to the President—

Mr. MURKOWSKI. Without objection, it will be so ordered.

Ms. FATE. The report was presented to the President and to the Governor. I am very sorry that we do not have with us today anyone from the Department of the Interior. I feel this is a big void. But on a positive note, I hopefully hope they will be working on a positive result for our Alaska Natives and all Indians in the United States.

A staff was hired and five task forces were selected to gather information on health, education, social-cultural, economics and governance. The task force members were volunteers from throughout the State of Alaska, almost all Alaska Natives expert in their specific areas, and we held nine regional public hearings, as well as two statewide hearings, and also heard from individuals throughout.

The Commission provided Alaska Natives and those entities who are involved with related programs an opportunity to make a positive impact on individual Alaska Natives. I am going to just highlight a few recommendations because you have them before you. You know. And I want to thank you for your knowledge and messages today coming from the committees.

But just to highlight quickly, we were very protective of the individual Alaskans' rights as owners today, as well as for the rights of the victims. Under health, we were concerned about the funding especially with the Community Health Aides' retention and the ongoing services in regard to health. The primary quality health delivery is still a problem in the isolated setting of rural Alaskan communities, and you spoke to water and sewer needs—are still a problem.

I feel that we are not a Third World country, but we are almost like a Fourth World country because we see on television—our Native people see how it should be or would be to live in a safe environment. And it is very hard when you are in the United States of America, and you are left out of the process.

Education—our education is lagging. It is still lagging behind all other places in the United States, as well as other nations. And there is a lot of work to be done in that area. Economics—it became very clear there is a need for jobs and a means for creating new revenue.

We heard over and over the need to generate new money and heard from success stories such as from the NANA region where a large mine provides all the values of a Native culture and yet is profitable. We too can do the same if given the opportunity in the development of oil and gas in the coastal plain areas, as the Arctic National Wildlife Refuge.

Cottage industries is one way to help the economic future. Many restrictions and regulations make it difficult, if not impossible, to pursue cottage industries. Bartering items which are considered subsistence products are also regulated. Potential cash crops such as wood products, furs, smoked fish, dried fish are impacted by either environmental or food and drug regulations. Nobody ever got sick from eating my dried smoked salmon.

Historically, the Alaska Native people are a people of high standards, strong, proud, trusting, and giving. They are hard workers. Today, the paternalistic attitude has trained many of our people to be on the government dole. The restrictions and regulations make it very difficult to work and prosper from their own land and environment. Some bright spots do exist in retraining our Alaska Natives to occupy positions in the new Alaskan economies, such as oil, mining, transportation, and so forth.

Today we find ourselves in a crisis situation. The outrageous school dropouts, high unemployment, hopelessness, drug and alco-

hol abuse and other tragic and sad endings such as the highest rates of suicides, accidents, violent deaths, and other acts. What we learned at the hearings was that time was running out.

At the inaugural meeting of the Commission, Senator Daniel Inouye stated, "I don't want just a report on the conditions. I want your recommendations," and we took that to heart. At that time, you vowed that the Congress will give such recommendations serious consideration, and we believed you.

Senator Ted Stevens "praised the Commission as a genuine attempt with the participation of Native Alaskans to sort out the problems created by Federal policies." Senator Frank Murkowski added, "The Commission needs to take a fresh look at problems to try to fashion solutions that will work for the timely benefit of Alaska Natives." Congressman Don Young also is aware of the dire needs of the Alaska Natives and proclaimed his support for vast changes.

Today's hearing on the Alaska Natives Commission is a very significant part to the Alaska Native people. It represents a collective communique from Alaska Natives to the United States Congress, the President, and the Governor, and made it clear to the Commission that they would not stand for a sanitized report. Many of those recommendations are completely contrary to the way it used to be.

The government can no longer maintain the old status quo or ignore Alaska Native needs. We hope that this report makes it clear that our people want more involvement in their lives, less government, and more independence. To sum it up, time has already run out, for in the short life of this Commission, approximately 1,300 Alaska Natives have perished. And of those deaths, too many of our future leaders are youths—died, and almost all were nonaccidental or unnatural.

There are three volumes to this report, and, lastly, I want to thank you on behalf of the Alaska Natives Commission, the Alaska Native people, and we will always be available to help you, and if there is any comments or questions, we are available. Thank you.
[Statement of Ms. Fate may be found at end of hearing.]

CHAIRMAN YOUNG. Thank you, Mary Jane. It is my understanding, Mr. Schaeffer, that you are not hereto testify. You are here to answer questions, and later on I might make some suggestions or comments about the success of your region, what you have been able to do. I think that is a classic example.

But at this time, I would like to have questions if there are questions for the Governor or Mary Jane asked at this time. I do have two questions if you will give me the privilege of asking them first, and then I will go to the Senator, and then we will alternate between the members of the committee.

Mary Jane, in your statement just a moment ago, you state that time has already run out, what should be the next step for the Congress to do. What would be your recommendation—what can we do to expedite or to make sure that time has not run out, that we can solve these problems?

Ms. FATE. Mr. Congressman, I believe you will be hearing from others today on that issue in specific resolutions that have already been taken in the last five years, repeated resolutions over and

over from the whole statewide of Alaska Natives, and also from the Governor's office, and also your own plans that you have and your goals. But we are going to follow through on every aspect of this report.

CHAIRMAN YOUNG. I appreciate that. My biggest concern is the gentleman from Alaska, Senator Murkowski, made the comment about not only—and the Governor is correct—not only this Administration, other Administrations—there is an opinion here that for the American Native is that they look good as far as the government officials, including the Congress, and they come up with what I call paper solutions but no real solutions to the issues affecting Natives.

So I hope that the rest of the Commission, after the report is made that we have some suggestions where I should go from here and being able to implement the desires of the Alaska Natives Commission and the people that you interviewed. My understanding is you traveled throughout the state. You heard testimony with regard to the social and economic problems which we have heard.

Do you agree? I guess you do because you signed it with the Commission's recommendation that solutions need to come from the community first—and it goes back to my opening question—the community first and then recommendations to the Congress on how we can, in fact, implement through the help of the state and the Governor, and he is committed to that, the decisions that come from the community. I do believe you would agree with that.

Ms. FATE. Mr. Congressman, that brings up a good point because there are several recommendations that may not be 100 percent from every community equally. We are a diverse group, large, different geographical areas in needs. And some of us are lagging way behind. In my area of the Athapaskan, the Yukon drainage, I believe we are the poorest, most isolated, most unmarketable, most needs. And I see that from my eyes. Others may see that from theirs, but the options are here and open for further work.

CHAIRMAN YOUNG. OK. Governor, you emphasized in your testimony and I want to compliment you that the Alaska National Wildlife Range, ANWR, supposedly would benefit the State of Alaska and assist in its Native constituency in achieving self-reliance. I believe you went through some statistics on what the state has been able to do.

As governor, are you recommending that the opening of ANWR is a main source of revenue available for the State of Alaska to help eliminate the social and economic problems faced by the Alaska Natives? I know that is what you are saying. My biggest concern is that the state doesn't become the secondary BIA. I hope that whatever you do you are doing in consultation with the communities and the regional corporations and individuals.

One of my classic pet peeves, Governor, is the housing programs. The HUD housing built by the Federal Government at a tremendous cost has been a failure, and yet they said this is the only way you can get any money to do it. You have to follow our rules.

It would have been much better if the community had decided what type of building they would have had and got a better bang for the buck, a better home for the people, and they would have some pride in what occurred instead of having probably wooden

shacks that you can stick your finger through after a period of years. I just hope in your efforts, and I know you are sincere, that you will try to hopefully be a partner not just as an individual that says, "This is the way you are going to do it."

Governor KNOWLES. Congressman Young, I absolutely agree with your observation on that. To me, what is the most unique and compelling part of this report as differentiated from the feet or yards of other reports that lay on shelves is that this report from the villages calls for control of people over their own lives. The role that I would see the state in partnership with the Federal Government would be to provide the tools by which people can construct those productive lives themselves.

That will be primarily through private sector employment and is through the partnerships that you speak of with the development in the coastal plain there of the Arctic National Wildlife Refuge, whether it be with the fisheries in western Alaska through the CDQ programs, through the mining that is taking place, through the interior northwest and southeast and the timber activities, the value-added. These are all private sector sustainable jobs that we can be partners in but which people create their own situation rather than have it done to them or for them.

CHAIRMAN YOUNG. OK. One other thing, Governor. I happen to agree that the subsistence issue is top priority, has been, and I will do everything I can to help you. My comment to Julie and the AFN and yourself is this has to be a working relationship between all factors, although we may never always agree, but we have to have some central consensus of how we solve this problem.

One of my basic concerns is that the illusion of subsistence can be a total way of life. I think the gentleman from Colorado brought it out very clearly. We have to also look at what we can do to improve the amount of species that are available. We have not done that.

I just came out of an area where an American Indian group has utilized their expertise—biology background, management of their own lands which is not popular in the state, but management of land and created a tremendous amount of wealth for their own tribal members in the field of fish and game. It is a very rewarding example of what can be done with a smaller body of land than the Alaska Natives have and yet make it very rewarding.

I just want us to be on track, communicate with one another on this issue, and see if we can't solve that problem which has been a festering sore in the state for many, many years. And why, I agree with you, we don't allow the people to vote on this issue, I do not understand. If, in fact, the people vote against this, that is a different story but at least let them have the ability to do it. I don't have any comments at this time. Senator, do you have any questions you would like to ask?

Mr. INOUE. I have been advised, Ms. Fate, that since the issuance of this report a year ago the statistical data has worsened. Is that correct?

Ms. FATE. I will ask for John Schaeffer to answer that please.

General SCHAEFFER. Senator, it is my understanding that the Alaska Federation of Natives in their presentation will provide you

with more up-to-date statistics on some of the problems, and they will pretty much show that things are continuing to worsen.

Mr. INOUE. So you are at a crisis stage now?

General SCHAEFFER. I think that is a matter of opinion. We may have passed that crisis stage sometime in the 1960's.

Mr. INOUE. I would like to assure all of you and Mr. Governor that in this city the word commission is oftentimes a laughable item. A study commission is usually the cynical answer for problems to appease those who are troubled. I can assure you that as one of the co-sponsors of this measure I will do my utmost to make certain that this Commission is not a scam. We will make it work.

CHAIRMAN YOUNG. Thank you, Senator. Senator Murkowski, do you have questions?

Mr. MURKOWSKI. A couple of observations. Thank you, Don. Our microphones work all the time over there. I guess we don't have concern over the light bill, and you do over here. But, in any event, let me make a comment with regard to Ms. Fate's statement regarding the lack of attendance by representatives of the Bureau of Indian Affairs who had been asked to attend, and we had reason to believe the Secretary of the Interior would be with us on the hearing.

However, there is a provision that was brought to our attention, and I will read it. The provisions of 31 USC 1342 generally prohibit Federal employees from providing services to their agencies even on a volunteer basis. As a consequence, Ms. Fate, I guess one can conclude that the Department of Interior's absence here is noted obviously. One can perhaps conclude that the Secretary considers himself a nonessential government employee. I don't know. But I think many Alaskans might agree that that might be a fair self-evaluation.

Of course, the junior Senator from Alaska is a little biased on the attitude of the Secretary toward self-determination. You know, evidently there is a necessity of having two chefs in the White House that are essential but testifying at this hearing is not.

I don't want to get too partisan, however, but let me tell you one other thing that does disturb me. We have had an objection by Senator Daschle on the floor of the Senate today to object to the two-hour rule which we have that says that committees cannot hold hearings two hours after the Senate has convened. So officially as far as the U.S. Senate is concerned beyond the two hours that probably ended around 10:30, why, we are kind of out in the cold here officially.

CHAIRMAN YOUNG. No. I am the Chairman—

Mr. MURKOWSKI. We are volunteers as the Senator from Hawaii testified.

CHAIRMAN YOUNG. I am the Chairman of this oversight hearing, and I have cordially invited my two Senators to participate in this hearing on a voluntary basis. They have gladly volunteered their time, and I think the last time that happened, Senator, that was quite a few years ago. And I do welcome you back into the ranks so you are here. And as long as you want to be here, your record will be stated on the recording machine, and you are my guest.

Mr. MURKOWSKI. It sounds like we are prisoners of the House.

CHAIRMAN YOUNG. If I get you, you are never getting away.

Mr. MURKOWSKI. But there has been an objection filed. However, it is fair to say that from the standpoint of getting things done, we had a pretty good day the first day that the government closed down because we have been working 15 years on the oil export issue and finally got a vote to vote it out of the Senate. It was a conference report that you had done such an extraordinary job on so sometimes we do get something done for Alaska when government is out.

Governor, you and I had an opportunity to chat this morning, and you know and I know based on our experience in the private sector that government doesn't create jobs. Jobs are created by the private sector, and the private sector makes a decision on whether or not they are going to risk their capital and evaluation of the potential return on investment.

And as far as Alaska is concerned, whether we look at ANWR or whether we look at the hopeful development of our huge gas reserves or our interior timber or other things, we are talking about resource development as you indicated in your statement which I thought was very well thought out and direct.

And I am wondering as a consequence of the experience that John Schaeffer and NANA have had in the development of the Red Dog mine which created the first jobs in northwestern Alaska that previously year-round jobs, John, were nonexistent in the NANA region. Is that correct?

General SCHAEFFER. Not in the resource development area, no sir; just in the service area.

Mr. MURKOWSKI. And this has provided jobs in your area for the local residents of the villages, and they have had an opportunity for training. And you would generally evaluate that experience as how?

General SCHAEFFER. As positive, sir; very positive.

Mr. MURKOWSKI. Very positive. So, you know, recognizing that some areas where we have rural Native residents it is difficult to identify potential for jobs. If you have a mine prospect, and I gather the prospects for Red Dog's expansion look encouraging—we have got the southeastern possibility of mining. We have got Fairbanks and other areas.

But I am wondering if there is some way, Governor, that we in the delegation can help you and your administration begin to identify some specific job opportunities associated with something that is not of the general nature. We are all saying we need to train our people, and we need to have a labor market that is capable.

But we also have to begin to identify something that we can either reopen like a sawmill in Wrangell, reopen like the AJ mine in Juneau, or develop in the population center around Bethel where it is a lot tougher as we may have a seasonal opportunity. But that season for tourists is still roughly Memorial Day to Labor Day, and you put in a large capital investment to accommodate tourists, it is hard to amortize it in a three or four-month period.

Is there anything that your administration might develop or look toward that the state can do to identify some specifics and you can tell us and we can help you? Because, obviously, the Federal Government owns a lot of your land and—

Governor KNOWLES. Senator Murkowski, the response to your question is yes. I believe that there is a real important role that the Federal Government, as one of the largest landowners with natural resource in the state, can play. I would in the spirit of the Alaska Natives Commission report though emphasize what I think is a very important economic development message, as well as the other aspects of grassroots leadership, decisions being made at the local level.

And I don't know of any one policy that would immediately in a blanketing of a state that is so diverse in its resources and opportunities that would solve all those problems, but rather taking the initiative such as the Kake Tribal group recently did in establishing a salmon-ham production facility. As a matter of fact, you can get your salmon link sausage in Williams Sonoma catalog at \$36 for four eight-ounce packages. It is a good buy though. And this was developed absolutely at the initiative of the local economic organization and the tribal organization.

The state and the Federal role is to make sure that the resources are available—that is, the salmon—to provide good stewardship, and to provide the harbors and the utilities and the education and training that makes all of that economic initiative on the basis of individuals and groups at the local level possible.

So to the extent for large situations such as ANWR which provides that opportunity throughout the entire fisheries, as you mentioned, mining and timber opportunities, all of that—tourism is another great opportunity, the development of arts and crafts as an economic tool are all of these possibilities.

Mr. MURKOWSKI. I wonder if you would consider supporting Don, Ted, and I on the merits of contracting from, say, the regional corporations or the village corporations for partial management and oversight of some of our parks and wildlife and wilderness areas relative to the reality that we have a declining Park Service budget, and yet we have residents in rural Alaska that with some training could possibly take over under a contractual commitment much of the management that is necessary in these parks.

I am always reminded, John, of, you know, the Kotzebue area and the Gates of the Arctic or Cape Krusenstern where I believe we have more entries and exits by Park Service personnel than we have by visitors. And why can't we use our local Native rural people in this capacity and break the yoke of the Department of the Interior that has mandated that they are the only ones that can possibly do a credible job in managing some of these areas that are very costly. And if we can involve the Native people, they could certainly I think shepherd the responsibility appropriately.

Governor KNOWLES. Senator Murkowski, I think that the ability to in-fill existing jobs, whether they be public or private by local hire and in rural Alaska, that means village Alaska, is absolutely one of the quickest ways to transform an economy with high unemployment to one with a proper training, and that is where I would emphasize the training and education needs to be able to fulfill some of those roles. So I would certainly agree with that direction.

The state is going to be taking the same direction in terms of in-filling existing jobs in the public sector, just as we are working

with the private sector to make sure that their job needs are fulfilled by qualified, trained local residents.

Mr. MURKOWSKI. Well, we are going to pursue that with some legislation. It will be interesting to see the response we get from the Department of Interior, but we will appreciate your help. One other question, and this is my last one, you used the terminology with regard to subsistence of unified management. And definitions are always subject to some scrutiny, and I am curious to know what you had in mind?

Governor KNOWLES. Chairman Murkowski, that would mean state control of the management of fish and wildlife resources.

Mr. MURKOWSKI. And when you said unified, you definitely appropriately left out Federal?

Governor KNOWLES. Yes, sir.

Mr. MURKOWSKI. And I certainly agree with you. Thank you, Governor.

CHAIRMAN YOUNG. Thank you, Senator, and I can comment on what you meant about hire. We are working even with Secretary Babbitt, although he is nonessential, right now trying to get numerous parks like Noatak Park and other areas contracted out. I am not terribly concerned about the training aspect. Anybody can take and manage security, housing, food, and all this.

I am sure the capability is there, and it is an immediate way to employ people, and it does save the Park Service instead of building their own little forts in Bethel, and that is the Fish and Wildlife in other areas. There is no reason why we can't have year-round employment instead of seasonal employment of all aunts, uncles, et cetera, to work for the Park Service. That is just an example.

And, by the way, we are doing this in Oklahoma right now with a refuge. We are attempting to do it in Arkansas, and so it is not precedent setting. I don't think we will have to pursue legislation unless we run into a stonewall opposition from the Secretary. He has indicated he is very interested. So we are going to work on that. Any other questions from—the gentleman from American Samoa.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. Before asking my questions, I would like to ask unanimous consent to allow the members of the committee to submit questions especially to the Administration on some of the issues that have been brought up.

CHAIRMAN YOUNG. And that is, without objection, so ordered.

Mr. FALEOMAVAEGA. Thank you. I would like to ask Ms. Fate and the Governor, you know, it is true that Assistant Secretary Deer has publicly acknowledged or made known the fact that the Administration, at least the BIA to my understanding, opposes ANWR, and she made this directly to try to influence the Native Alaskan tribes to support her position.

And I understand that there has been a lot of divisiveness among the Native Alaskan organizations on this issue, and I would like both the Governor and Ms. Fate to comment on that, and Mr. Schaeffer, if possible, to kind of edify the members of the committee exactly.

I don't know if 49.9 percent is considered a minority position with the number of tribes involved. It is my understanding that

just one tribe was in opposition to this, but I would like your comments on this issue. It might also help us if we find out how Ms. Ada Deer went about coming up with this conclusion. Has she consulted closely with the tribes on this issue, or is she just carrying the water for the Secretary on this issue?

CHAIRMAN YOUNG. If the gentleman will yield——

Mr. FALEOMAVAEGA. I would gladly yield.

CHAIRMAN YOUNG [continuing]——I do not want to put the Governor and Mary Jane in any awkward position. If they wish to answer this—I know that AFN, Ms. Julie Kitka, will be addressing that issue at a later time because it was a very contentious and very unpopular statement to be made at that time. So if you would like to comment, you can. You are not required to do so at this time because I know there will be an answer to that at a later date.

Ms. FATE. I would like to comment because I would like to add another little thing I forgot. I cannot speak for Ada Deer. I have had many years' experience with the Bureau of Indian Affairs before it was the Alaska Native Service during territorial days in Alaska. Much of it has been substandard, much of it has been negative to my people in my area.

So through my history, I always kept in my mind that we must be a part of the process. We were never part of the process, and right now we are part of the process, and it is not being taken lightly and not positively maybe by the present position in the Administration. But we have spoken, and I believe the Administration should listen and work with us as well. Thank you.

Mr. FALEOMAVAEGA. Governor Knowles, you don't have to comment if you feel it is not relevant to my concern. Let me just say this. My support of ANWR hinged entirely on the information and, of course, not only consulting with you, sir, but the fact that I did receive resolutions and information from the vast majority of the Native Alaskan organizations in support of this, and that is where I stand.

And I just wanted to make sure that if I understand—if there are other information that has not been made known to the members of the committee, I would gladly welcome your enlightening the situation here and how Ms. Ada Deer came up with that conclusion as well.

Governor KNOWLES. Well, thank you, Representative, and I also appreciate the chance when we had the opportunity to talk on the telephone about this. It is my feeling that in the very broadest sense there is a strong and deep support for the development of the Arctic National Wildlife Refuge done in a responsible and right way.

This crosses all geographical lines, all partisan lines, all backgrounds, cultures, and it is a very strong belief both that it can be done right and that it should be done on the basis of local decisions. And so that is the basis upon which I think that you will hear from other testimonies today concerning——

Mr. FALEOMAVAEGA. Would you say that a substantial amount of needed resources to meet the economic and the social needs of the Native Alaskan people in the State of Alaska that ANWR definitely is one of the tremendous turning points as far as economic develop-

ment for the needs of Native Alaskan communities? Will that definitely have an impact?

Governor KNOWLES. Yes, sir. It will play an important part in that transformation.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman.

CHAIRMAN YOUNG. Yes. And before I recognize the next gentleman, you know, it is not only this Administration and other Administrations, it is the BIA. And the best thing we could ever do is to try to transfer their capability to the tribes. There is no doubt in my mind it would work better, we would save money, and we get a bigger and better return on it.

This paternalism philosophy is nothing new. It has been around since the creation. I think one of the unfortunate things that happened, if I may say in this—I got the Chair—I guess I can say it—one of the unfortunate things is we have a Secretary of Interior regardless of what Administration that BIA is under, and yet the BIA does not defend or is an advocate for the American Native when it comes to the Park Service, or Fish and Wildlife, or BLM, or any other thing.

In fact, they do not do the appropriate—22[g] is a classic example. We gave land for the Alaska Natives, and then say, "Oh, it is your land, but you can't do anything with it." Now, you talk about a hypocritical action by the Department of Interior. It is wrong so it is just, you know, a little background. This is a constant, repetitive thing over every Administration. I have been under six of them. And it is just time that we either tell them to change it, or we will eliminate them.

Mr. FALEOMAVAEGA. I want to say to the Chairman that I fully agree with the entire realm of his statement about dealing with the Secretary of the Interior. In fact, at this point I have some very strong grievances that I still have not resolved with the Secretary of the Interior dealing with the insular areas. So I know what the gentleman is talking about, and I couldn't agree with him more in having to deal with the problems and the bureaucracy downtown.

CHAIRMAN YOUNG. The gentleman from Minnesota.

Mr. VENTO. Thanks, Mr. Chairman, and let me welcome the Governor. We appreciate his being here. I think it underlines the importance of this Commission's status and report. I don't know that you want to turn this—I understand that ANWR is a significant concern in Alaska with regards to the economic concerns the Governor and the Native Americans have expressed. Obviously, I view it, as you know, Governor, as a national issue more.

I don't know what the—in listening to the Chairman discuss the grant of lands to Native Americans, obviously, whatever the degree of autonomy that is granted, obviously, you have to live within the context of, you know, the laws that are passed by the Federal Government in terms of the EPA, water quality, and other types of concerns. And I guess that is—if that limits—I mean, so that is realistic.

What we are getting to here though, and I looked at this—at least a summary of it. I haven't, obviously, read the three volumes that have been put forth, but I think that all of us should take heart and direction from the statements made by Senator Inouye and others who have spoken in favor of the importance of the Com-

mission report because it is to me surprising, a state that I look at as being a progressive state, Governor. We have got a lot of Minnesotans up there. We export a lot of Minnesotans to Alaska, and I think that we take a little credit for the—

CHAIRMAN YOUNG. Don't get any ideas, Bruce.

Mr. VENTO. Don, you would welcome me with open arms. You need me up there. But the fact is that, in fact, some have actually been sent back to Washington after they went up there, Mr. Chairman—Joe Baggett or Nick Baggett. So the issue I was going to point out though, I look at it as progressive.

But you clearly have one of the most difficult tasks from a standpoint of the pluralism that exists in terms of the different cultures in Alaska: a scattered population and geographic problems which have lent themselves to some real slippage when we look at Native Americans in Alaska and the conditions that they have in terms of graduation rates and sanitation, the lack of—two-thirds don't have running water. They are using, as you point out, these honey pots that become sort of a cultural thing. But, obviously, this all reflects in terms of health problems.

And the question is, of course, in this day and age it is not surprising I suppose to see a Commission report come back and suggest, "We want greater autonomy." We get that from the states to the Federal Government. Now, the states are getting it from governing structures within their states or cultures within their states, and I guess that is what we are seeing reflected here.

Clearly, as I listened to my colleague, Senator Murkowski, talk about cooperation with Native Americans in dealing with the management of lands, we really have just skeleton groups of Park Service personnel there, skeleton groups in terms of BLM personnel present. The question is really money.

I suppose some sort of a stewardship role would be completely—you know, I would see that as being completely compatible. The bottom line, of course, is getting enough money to make that work and then vesting the authority and the training so somebody actually could, in fact, act in a manner with authority and within the law.

But one of the things that strikes me is that, you know, we are looking, obviously, to try and stretch our Federal dollars to meet some of those basic needs. And what does Alaska mean? I have worked as a state legislator before coming here 19 years ago, and for six years we did power equalizing formulas.

In other words, you have got fundamental problems in education. Each year we know that there are programs that send some rebate back to Alaskans generally. Couldn't some of these dollars be reorganized to focus on where the most acute problems are? Isn't there some political response from the state here besides admitting that the Federal Government, if we had the dollars, could spend more money in management of our parks, of these BLM lands?

And the other question I had, Governor, and maybe you would like to respond to a series of these or others may want to respond, is that resource jobs, as important as they are in Alaska, and I understand they are important, we facilitated the Red Dog mine facility by an access road across the park in that area.

And, obviously, I have some questions about where we derive resources and you do, as well I, guess in southeast Alaska with regards to what we ought to do with the Tongass. In ANWR, we disagree. But the issue here is these resource jobs unless you add value to that—as you talked about Williams Sonoma I was wondering whether or not the dollars were staying in Alaska or being taken out someplace else.

So these resource jobs are notoriously poor in terms of adding value. They are costly to put in place. It means a lot of investment, and they really don't add that many jobs especially with some of the technology that we have. So I don't think that—my view is that ANWR is not a panacea. I was wondering about maybe due diligence in terms of some of the other leases that are out there, if they were going to deliver dollars back. I mean, you would be importing workers, as I had a couple brothers that went up there and worked at one time, Governor. They didn't stay though.

But with that said, Mr. Chairman, using up my time to ask a series of questions, I would like to get some response from the—not from you, Mr. Chairman—I know what your answers are already.

CHAIRMAN YOUNG. I have had 18 years of hearing those questions.

Mr. VENTO. They are good questions, Mr. Chairman.

CHAIRMAN YOUNG. I realize that. I am going to suggest that the witnesses can respond in writing.

Mr. VENTO. Unless the Governor wants to make a brief response. At least say hello to me, Mr. Chairman.

CHAIRMAN YOUNG. He can say hello if he wishes to do so.

Governor KNOWLES. Mr. Chairman and Mr. Congressman, not in response to all of your questions, but certainly in response to your first observation about Minnesotans moving to Alaska, it is true we do have many there. They are the only people I know of that come to Alaska because it is warmer.

Mr. VENTO. I understand, at least in Anchorage, not in Fairbanks.

Governor KNOWLES. If there might be just one opportunity, Mr. Chairman and Mr. Congressman, in reference to the fact that ANWR is national land as opposed to—and I think you were asking, well, what is the responsibility in a national interest, I would note that the Federal Government owns some 235 million acres in Alaska.

Much of it has been used I think successfully to provide economic opportunity. It does that through the development of natural resources; also part of it just through the growing tourism industry that we have when we recognize the national importance of many of those lands.

What is being requested in regards to ANWR is not a transfer to the state of it, but really just the opportunity for a sharing of the economic development. Certainly to better the economic role of the citizens of Alaska is in the national interest.

And in regards to the value-added, I would note that Alaska has an L & G plant. We have two major refineries that provide not only jobs but a tax base to a number of Alaskans. We were at one time the only L & G supplier of Japan. It is an important part of solving

our deficit situation right now as Alaska provides 25 percent of America's oil. With the development of ANWR that surely would be in the national interest.

So I think the development not only in terms of the economy but the value-added in the national interest, and I would also note Senator Murkowski and Congressman Young both have in their bills a set-aside with the development to a national heritage trust which would provide for the opportunity of setting a little bit aside so that we might take care of environmental needs, the acquisition for in-park holdings, for wetlands, for as perhaps an endowment fund as I have suggested; when we develop any national lands in America that we should take care of our national assets.

Mr. VENTO. Yes. Well, I would agree with you, Governor, and, obviously, this isn't an ANWR. But if we had had more success with the Land Water Conservation Fund, which supposedly sets aside over—with the Historic Preservation Fund over a billion a year—and we don't get anything. You know, most of the time we are getting a lot less back. Of course, all of that is dependent upon whether there are, in fact, going to be major discoveries there which, obviously, are contested.

But this isn't an ANWR hearing, and, obviously, we could stay and we could discuss that. I would be happy to discuss it with you at another time, but the other questions that I asked—I know my time has expired—I would appreciate if all of you would respond to them in writing because I am very concerned I think in terms of the education and health. And I think we want to do something in terms of cooperation and collaboration.

So often, I might say to the Chairman, Chairman Murkowski now, that we spend so much time talking about confrontation with the Federal Government that we don't often talk about the absolute need for collaboration in some of these areas. I think something could be and should be done in these areas.

In fact, most often with regards to Native Americans, we have attempted to try and facilitate their participation as working for the land management agencies in that sense. But there may be new things that can be done there so I would be most interested in exploring with you, Senator, that proposition. Thank you, Mr. Chair. Thank you, Governor, for being here and the distinguished members of the Commission.

Mr. MURKOWSKI. Mr. Kildee, do you have any—

Mr. KILDEE. No. We have a vote on in the House right now. I will just welcome the panel here and tell you that my son, First Lieutenant soon to be Captain, David Kildee is stationed at Fort Wainwright in Fairbanks, owns a home there, and I visited the state and found out why Don Young loves the state so much. It is a beautiful state up there, and I just welcome you here. I have to go over and vote now though and hope to come back over somewhere in the hearing. Thank you very much.

Mr. FALEOMAVEGA. Will the gentleman yield?

Mr. KILDEE. I would be happy to yield.

Mr. FALEOMAVEGA. I would like to also suggest to our good Governor, if it pleases, there is a whole tribe of Samoans living up in the State of Alaska and look after them. You might need them for your football team one day. Thank you.

Governor KNOWLES. There is a rugby team, sir, that is well represented.

Mr. FALEOMAVAEGA. And rugby too, yes.

Mr. MURKOWSKI. I would remind my friend from Samoa that we occasionally play on permafrost. There is a little different effect on the knees and elbows and so forth. Congressman Kildee, we appreciate your comments. We will take good care of your son. My home also is in Fairbanks.

Mr. KILDEE. Thank you very much.

Mr. MURKOWSKI. And I wish that we could get Congressman Vento to spend a little more time in some of our villages up there and see the transition that is occurring and particularly look at the school system in Barrow. You know, they have got the finest school in the United States as a consequence of their taxing ability on the oil revenue, and the other villages would like to see that.

Mr. VENTO. Well, I understand there is not a word in this report on ANWR so, I mean, it is—

Mr. MURKOWSKI. No, not at all. You are correct in your assumption. I want to excuse the first panel and thank the Governor, Mary Jane, and John Schaeffer. We appreciate your traveling down to Washington where as some people observe things of great importance are done or undone.

Hopefully we have got some positive testimony today that will go a long way toward encouraging Alaska's Native community to have an opportunity for identification of jobs and lesser dependence on Federal and state government. Thank you very much.

The next panel is panel two. The first witness will be Julie Kitka, President of the Alaska Federation of Natives. I believe she is going to be accompanied by Harold Napoleon, Special Assistant to the President. And we had a little problem in Alaska. We occasionally get some snow, and we had a snowstorm, and currently Lee Gorsuch, University of Alaska, is grounded, and Dr. Walter Soboleff, Distinguished Elder, who was giving testimony for the Alaska Federation of Natives in Juneau is also grounded. I am not sure whether the snowstorm covered Anchorage and Juneau or both, but we have Alma Upicksoun, I believe, who is going to be joining and presenting the testimony of Lee Gorsuch. Dr. Soboleff is here I am told. There he is. You got through. You snowshoed through the—

Mr. SOBOLEFF. I brought my down jacket.

Mr. MURKOWSKI. You brought your down jacket and made it. Well, that is fine because we do want to recognize Rachael Craig, I believe, who is with you as well. And with that introduction, we also have Melissa Berns who I had an opportunity to be with yesterday on a little television program representing the Alaska Federation of Natives Youth Council. She is from Old Harbor; goes to school in Kodiak. Right?

Ms. BERNs. Correct.

Mr. MURKOWSKI. Thank you very much. Julie, would you go ahead, and I want to advise you that we are going to have votes in the Senate in about 10 minutes. Don will be coming back and conducting the balance of the hearing, and I do apologize. We look forward to your testimony, and please proceed.

STATEMENT OF JULIE KITKA, PRESIDENT, ALASKA FEDERATION OF NATIVES, ANCHORAGE, ALASKA; ACCOMPANIED BY HAROLD NAPOLEON, SPECIAL ASSISTANT TO THE PRESIDENT, ALASKA FEDERATION OF NATIVES; ALMA UPICKSOUN, VAN NESS, FELDMAN & CURTIS (TESTIFYING ON BEHALF OF CHANCELLOR GORSUCH)

Ms. KITKA. Thank you, Mr. Chairman. First of all, I would like to request that the committees hold the record open for a period of time to accept additional written testimony from our communities.

Mr. MURKOWSKI. Yes. It will be so ordered. The record will be open for a period of 10 days.

Ms. KITKA. Thank you, Mr. Chairman. I would also like to, in the interest of time and because of your pressing schedules and how we are going so far in the hearing, ask that Chancellor Gorsuch's testimony just be accepted into the record. And if there are any questions, we can direct them in writing to Chancellor Gorsuch.

Mr. MURKOWSKI. Without objection, it will be inserted at this point.

[Statement of Mr. Gorsuch may be found at end of hearing.]

Ms. KITKA. I would like to ask that Harold Napoleon's written testimony be incorporated in the record, and he would be available just to answer questions.

Mr. MURKOWSKI. It will also be included at this time.

[Statement of Mr. Napoleon may be found at end of hearing.]

Ms. KITKA. I would like to also request that Dr. Walter Soboleff and Rachael Craig, as two distinguished elders in our community on that, be allowed to testify as well as Melissa Berns, the Chairman of our Youth Council as part of our panel. So if Rachael is in the audience, if she could come up to the panel?

Mr. MURKOWSKI. Please proceed.

Ms. KITKA. Thank you, Mr. Chairman. For the record, my name is Julie Kitka, and I am testifying today in my capacity as the President of the Alaska Federation of Natives, and I want to thank you, Chairman Murkowski, Chairman Young, and Chairman McCain for agreeing to hold a hearing with all the three major committees in the Congress that hold jurisdiction over Alaska Native issues.

This is a very significant occurrence today, and we are very pleased, and we are very happy with the cooperation of the committees in doing that. I would also like to acknowledge Senator Inouye and say how delighted we are to see you in the hearing and participating. I know other members of the Congress had to go for votes, and we are hoping they will join us again.

First of all, I would like to request that additional hearings be heard, if possible, by this joint committee setup because the focus of today's hearing is primarily just on an overview on the Commission report.

But there are major components in the hearing such as health, education, hunting and fishing, cultural issues, Native self-governance issues which are not going to be covered in our overview, and we are primarily dealing with the overview and the economic issues today. So I would formally like to request additional hearings

on these major portions just to develop the record further and allow more of our people to participate in the hearing process.

Mr. MURKOWSKI. I would appreciate it on behalf of Don Young and myself if you would submit in formal writing that request so that we can take it up within our individual committees.

Ms. KITKA. Thank you, Mr. Chairman. I would also like to cordially on behalf of the Native people of Alaska, and I am sure the governor, invite members of the committee to come and visit Alaska and come out to our communities, both Anchorage and our regional hubs and our remote villages on that, to see firsthand.

I know we certainly appreciate the visits and the opportunity for the exchange of information as many of our people never have an opportunity to come back to Washington or hardly ever have a chance to come to our urban areas to testify before such distinguished groups. So we would cordially like to invite you and welcome you at any opportunity that your committees might be able to have.

Basically, my testimony—I would like to ask that be entered into the record.

Mr. MURKOWSKI. It will be entered into the record.

Ms. KITKA. In addition, I have an addendum to my testimony which deals with specifically the Section 29, Native Hire Agreement between the Department of Interior and Alyeska Pipeline Service Company and ask that that whole written statement be incorporated into the record.

Mr. MURKOWSKI. So noted.

Ms. KITKA. Thank you, Mr. Chairman. I will try to be brief and try to split my testimony between about half on the Commission and about half on the Section 29 and be as concise as possible but try to convey to you the sense of urgency and crisis that there is in the State of Alaska and among our people.

I will also try to be respectful of my other panel members, especially our elders, and not take up too much time to allow them to share their wisdom with you as our elders are people in our communities who are very much respected and honored.

Just in the interest of brevity, our detailed written statement on the Commission basically focuses on three major areas of the report. When we take a look at the report and some of the recommendations and the urgency and the crisis, the three major areas we focus on the report is the issue of the need for this Congress to work with us to reduce chemical abuse and its social effects on our people.

The second one is the development of jobs and income for our people, and the third one, as you go about reinventing and changing the role of the Federal Government that you devolve the specific governmental functions to our communities. We believe those three areas are several of the many recommendations that come forward to you from the Commission that are very, very urgent.

In response to Senator Inouye's request earlier on update on statistics from this report, it is based on information that I have that have been provided from very reliable sources and people that have been monitoring critical data. There is a number of indicators that we monitor to try to see—most social scientists monitor to see—how people are doing and certain things like birth and death rates,

infant mortality, and a couple of these factors which have changed dramatically for the worse which really jumped to our attention.

The first one I would like to bring to your attention is the incarceration rate of our Native young men. In the recent past, that has hovered around the 32 and 34 percent of the inmate population. And the entire state correctional facility has been Alaska Native people, primarily Native young men, basically being approximately 99 percent alcohol-related offenses which caused the incarceration.

We have recently received information from the Department of Corrections that that has taken a turn for the worse, where we are now almost up to 50 percent of the incarceration of inmates in our state correctional facility that are Alaska Natives.

That is deeply troubling to me because how a justice system deals with indigenous people and how they interface with the justice system, often minority people receive the most negative aspects of a justice system, and a turn to where you have almost 50 percent of the inmate population be Alaska Natives when we are only 15 percent of the population in the entire state is a dramatic change for the worse in my opinion, Mr. Chairman. That is one statistic which is deeply troubling to us.

Another statistic which I don't have the exact number but is the number dealing with death among our Alaska Native men, in particular, alcohol-related death. It is my understanding that epidemiologists in the state convey to us that the death rates and the rise in the number and percentage of death rates that are attributed to accidents and many of them alcohol related that we have not yet peaked in the number of deaths among Native people, primarily Native young men, where in other Native American communities in the other 48 states, Dr. Everett Rhodes testified a number of years that the death rates, homicides and suicides and deaths, did peak in 1976, and we are still climbing.

We did not peak in 1976, and those numbers are still climbing, and that is deeply troubling to me. And those are just a couple of examples of where the problems are severe and would lead us to describe it as a crisis. It is not all our people that are undergoing these tremendous problems, but a significant minority of them in very life-threatening ways. I mean, these are things that once they occur they cannot be undone. And so just in response to Senator Inouye's question on that, that is a couple indicators I would like to state for the record.

On the three recommendations that we detail in our written statement, the reduction of chemical abuse and its social consequences, I think we are very clear in our written statement that one of the things that we would urge the Congress to work with us on is give our communities the legal ability to deal with alcohol and give us the legal ability to not only pass village ordinances to restrict and otherwise control alcohol as it affects our communities, but give us the sense that we have the ability to take responsibility that empower our communities to take on that task, and let us go forward on dealing with the alcohol crisis and the impact on our people, but give us the authority to deal with it at a local level.

I think that it is very clear that the Federal Government has not been successful. They have made many good tries. The State of Alaska has made many tries, but currently the way the legal au-

thority that there is in dealing with alcohol is not sufficient for our communities to take on the responsibilities that they need to take on, must take on, and that are critical to the well-being of our people, and I have detailed that more in our testimony.

On the second issue of development of jobs and income for Alaska Natives, page 11 of my testimony I talk about a number of things, one being economics is the most fundamental determinate of community well-being, and it will be amazing how these statistics will turn around if our people have an opportunity to go to work and have a job.

And our members are able to provide for their families if they are able to have the income from their jobs to be able to have the multiplier effect in our communities and how it would benefit other people, as well as the difference it would be having, the self-respect that individual members of our community would have from being able to have a job.

So I very much strongly support that aspect of the Commission report, that no matter what we do on alcohol, no matter what we do on governance issues and other things, that one of the fundamental things that needs to be done is there needs to be an intense focus on job creation and training and education and opportunities for our young people.

Part of my written testimony has a graph of the Native workforce, and that will give you an idea of how things have changed since 1970. In 1970, our workforce, members of our community 16 and older, was approximately 24,000. In 1990, according to the census, our workforce was about 54,000.

Our projections at a conservative rate for the year 2000 is we will have approximately 75,000 Alaska Native people who will need the opportunity to have jobs, have opportunities to build strong families that come about from having the ability to support yourself and your families and the self-respect that comes from that.

That is a tremendous challenge to both the State of Alaska and the Congress—to work with us to create that level of opportunities for such a growing population. And I am sure if you projected out the Native workforce in the year 2010 and 2020, you will see nothing but growth in those numbers because we are undergoing a population boom where we are projected to double every 23 years.

And at this point, our median age of the Native population is only 22 so we have quite a bit of growth to go, and the needs for basic things such as health care for our babies and our young mothers, the need for basic education for our children are going to be fundamental.

I believe that we will be strapped for the resources just to provide such things as basic health care and education. And so I do sense that there is an urgency to the Congress to work with the state and work with us to go forward on these recommendations.

In addition to the recommendations that are stated in the testimony, I wanted to make two observations. One, as the Congress deals with the whole issue of redesigning government and devolving it, much has been said about the BIA which has been negative.

Certainly I am not here to defend the BIA, but I do want to note for the committees—for your information—that there are some exciting things going on in regard to that Indian program money and

primarily that is compacting. That is basically the Native Americans' way of redesigning or reinventing government.

And one concrete example is in our state in the Nome area, Kowarok. When they receive their Federal Indian moneys for the Bureau of Indian Affairs, it would be basically 10 cents on a dollar went out to the people. Under the compacting program, it is way over 50 cents on a dollar that gets to the people.

It is a tremendous opportunity as you devolve government and redesign that to put the resources that are available, that are limited, that are shrinking in the areas that Native people can have the most control over those resources and redirect those sources of funds to the most needs as identified by the Native people themselves. So I just wanted to state that for the record.

CHAIRMAN YOUNG. Thank you, Julie. I apologize. You are the first woman to testify out of this panel I take it?

Ms. KITKA. Yes.

CHAIRMAN YOUNG. OK. Well—

Ms. KITKA. I will just wrap it up?

CHAIRMAN YOUNG. Yes, wrap it up and then we will move right on down the line.

Ms. KITKA. OK. Thank you, Mr. Chairman. An additional recommendation based on Chancellor Gorsuch's testimony, he talked about the 2[c] study that was done in 1973 to take a look at Federal programs as they affected Native Americans. One suggestion is these committees deal with this report. It might be helpful to look at that 2[c] model of the report.

One of the bases for the 2[c] report was to look at and examine each Federal Indian program that was in \$1 million or more or that affected 500 people and evaluated that; as this Congress goes into reducing the role of government in people's lives, that this might be a model that could be extended for the Native people to evaluate program by program and decide which ones aren't working, which ones should be discontinued, and the money redirected. And so, like I said, that 2[c] model was something that I would suggest.

Lastly, Mr. Chairman, the addendum to our testimony dealing with the Section 29 Native Hire Agreement, that is divided into three segments; the historical background, the current Interior-Alyeska Native Hire Agreement, and unresolved issues and Federal liability. Because of the time restraints, I will just summarize that very, very briefly.

I believe it is very important for these committees to take a look at this historical background and especially in light of the committee taking a look at the need for economic development in the state and the interconnection between the oil industry and the Alaska Native Community.

I have detailed with great care our view of the historical background on this agreement and some of the promises that were made to the Native people as oil was sought to be developed in our state. And I think it is very important that this committee looks at that historical background and understands our views on that.

The second point on the current Interior and Alyeska Native Hire Agreement, I made comments in our written statement on that. And I want to commend the leadership at Alyeska and the

Department of Interior for signing that agreement at our convention this year.

I know our organization spent hundreds of hours involved in the discussions and negotiations on that. We think that that is going to have some positive impacts for employment, education, and training for our people and is something that must be vigorously monitored, both by the Native people, by the industry, and by government.

The last issue which is a very extremely serious issue I raise to you and I respectfully request that you look into and that is the unresolved issue in regard to Federal liability. It is our view that over the 21 years in which the Department of Interior, the Secretary of Interior neglected to implement, I mean, to monitor and require the full implementation of that provision, that the Native community lost over \$1 billion in jobs, economic opportunity, training, and so forth.

And if you see in our written statement in which the Secretary in the right-of-way permit reserved the right for the enforcement of that solely to himself, I think that there is a tremendous liability that the Federal Government has. And they need to take this seriously, and they need to make the Native community whole.

A billion dollars in lost opportunities could have changed these statistics that are outlined in this report if our people had had those jobs, if our people had had that training and education. And the Federal Government maintains a very serious responsibility, and they need to be held accountable for why they didn't enforce that. And the damage that that did to our people in our communities and that is something that I seriously urge this committee to go further with and work with us on a resolution.

I had an opportunity on Monday of this week to meet with Secretary Babbitt and Assistant Secretary Bob Armstrong and laid out our concerns on that, and we would very much like the opportunity to work with the committee as we deal with this unresolved issue of the Federal responsibility and liability. Thank you, Mr. Chairman.

[Statement of Ms. Kitka with addendum and statement of Alaska Federation of Natives may be found at end of hearing.]

CHAIRMAN YOUNG. Thank you, Julie, for an excellent testimony. I believe, Harold, you are next. Are you going to testify?

Ms. KITKA. His testimony will be for the record, and he will be available for questions.

CHAIRMAN YOUNG. OK. And—

Ms. KITKA. Dr. Soboleff.

CHAIRMAN YOUNG [continuing]. It gives me a great honor to recognize my good friend, Dr. Soboleff. This is one of our great leaders in the State of Alaska and a good friend of my wife's. They served on the state school board together and probably made some great decisions in their tenure. And he is still able to charm the ladies. So, Dr. Soboleff, you are on next.

**STATEMENT OF DR. WALTER SOBOLEFF, DISTINGUISHED
ELDER, ALASKA FEDERATION OF NATIVES, JUNEAU, ALASKA**

Dr. SOBOLEFF. Thank you very much. My name is Walter Soboleff, and we want to thank the congressional committee for

being so instrumental in insisting that this Commission be created. And indeed I realize fully how difficult it was to get this Commission going. There were pros and cons, and the people who were for it won the battle, and so we are here.

We remember so well when we came here how we were admonished by the congressional committee to come back with no less than recommendations, and thus we worked in such a manner that we heard the people, and some of the people who came took us as another congressional committee who would have a report made, and their report would be filed away and gather dust and no action.

And, thus, we shared with the people who came this concept that, "We have come to hear your needs, and we are one of you so please work with us." Thus, we worked right from the ground level with the folk, and indeed they had the confidence in what we were able to bring together. And, thus, we are honored to be here to appear before this august body to share with you that we heard at least one-ninth of the problems of all of rural Alaska. I say one-ninth.

And we were wishing that we had more time, and that this Commission would continue to serve for the needs that were exposed were indeed so vital that when it came to an abrupt end, we just wondered, "Now, will this continue? Will the recommendations be taken heed to?" And we assured the people who shared in the report that we will do everything possible because Congress has admonished us to come back with no less than recommendations which you now have in three volumes.

The report is extensive enough to bring into play the various Departments of Congress who ought to be concerned. And we also felt that it should be approached on a systematic basis as compared to various Departments competing for funds, and always the rural people of Alaska as a people in a crisis situation. And if we as American people would join together as a team to work on these problems, it would reduce costs and assure continuity and progress. This is all from me. Thank you.

CHAIRMAN YOUNG. Thank you, doctor. Rachael, do you want to say anything or—

Ms. CRAIG. Yes.

CHAIRMAN YOUNG. Yes. You are on.

STATEMENT OF RACHAEL CRAIG, AFN ELDER, NANA REGION, KOTZEBUE, ALASKA

Ms. CRAIG. Well, thank you very much, Mr. Chairman and the Commission. It is a surprise for me to be here today. I was here on another assignment. But we have cooperated with this Commission wherever they went in Alaska, and we spoke up for our problems, about our problems, our people. I am a village woman. I am from Kotzebue, Alaska, and I just left a few people a couple of days ago, and they are into their subsistence activities as usual. They were ice fishing. They are putting nets under the ice so they could put food on the table.

We have some young people who are all excited about going out caribou hunting, but just because we look Native doesn't mean we know everything. Our young people need to be taught because

some of these young people inadvertently went too early and scared the first rush of the caribou away, and now they have gone farther away, and the hunters have to travel farther places in order to get caribou. And there are some villages that will be hurting because the caribou took another track.

Every once in a while we hear this Commission and the people talking about alcohol. Yes, it is a problem. I think I am like many mothers. I finally adopted a son, and we were raising him like our own. We raised him like our own, felt like our own. In his adolescent years, we found out that he was also affected with FAS, FAE, fetal alcohol syndrome. And he is not the only one. His peers also have problems.

And I think this is one of the major reasons why so many of our young men are in and out of the penal systems over and over, and right now we are working with our son trying to get him into an educational track so he will be able to support himself. And I think I am not the only parent who is concerned about this, and the funds aren't usually there anymore because of the situation that we find ourselves in.

I work for the Northwest Arctic Borough, and my job is all information of cultural nature come through my desk including research projects, and this is why I am here because my colleague and I were awarded some moneys to study child rearing which we hope eventually will be an answer to one of our social problems in gathering information, not only from current parents, but also from the grandmothers on parenting because our young people for one reason or another are having children too young. And so they are unable to care for their own, and the grandparents have to help them. And so this is an answer to working on an answer to one of our social problems.

We hear of Red Dog, and it has given some jobs. But with the price of metal so low, there just has to be a cap on it, and so in our area we have a lot of unemployed. Now, what we are doing on our regional organizations, we don't have the money that we did before.

And so there is a lot of cooperation going between us, what you can do in your sphere, what they can do in their sphere so that we could serve our people better. And it is working in a lot of ways, but like any other region that is underemployed and with social problems, we need help in order to solve these problems or soften the problems and channel the attention of our people to more productive ways. And so it is not like we did not care and being happy working with our people in every level.

I would like to say that the work of this Commission in bringing out the information and the people to respond to the kind of questions that they have or just being there to hear and to listen and the recommendations of the people of wanting to solve their own problems in their own way because what we have done in our region is that over the years we have had other people come in there to solve our problems, solve our problems until we found we had a really dire problem.

We never had suicide in our society before, but even that was beginning to happen. So what we decided to do was take that advice of our elders and begin to infuse our own culture—our traditional

culture into their education and to bring a balance to their lives so that they could be proud of who they are, be proud of their own history, look up to people who are Native, achieve for themselves and their family and for the community those things that we see that other people are doing.

So we have a tremendous work ahead of us, and we are working at it. But we also need assistance from you and our friends around us. And I will leave that for now. Thank you.

CHAIRMAN YOUNG. Thank you, Rachael. Melissa, one of the young leaders, you are up next.

STATEMENT OF MELISSA BERNS, CHAIR, ALASKA FEDERATION OF NATIVES YOUTH COUNCIL, OLD HARBOR, ALASKA

Ms. BERNS. Thank you, Mr. Chairman, and members of the committee for giving me this opportunity to testify on behalf of the Alaska Native Youth. There are many problems facing Alaska Natives today, and these problems are becoming a part of a continuing cycle.

In the past, Native people lived a subsistence way of life, and they had a greater respect and understanding for their members and their surroundings. As our society has been exposed to the influences of other cultures over the years, our cultures have been diluted and weakened. We have become more dependent on the government and less dependent on the land, its resources, and our traditional customs.

Many communities do not have an economic base to provide job training skills for their young people to replace its old cultural ways. A generation dependent on Federal welfare subsidies is the result. This dependency has led many individuals to feeling a loss of cultural and personal identity and contributes to the destruction of our inherited traditional values.

In the past, our ancestors had to spend more of their time striving to survive. Today, many necessities are provided for them, giving the present generation more time on their hands. Many succumb to abusive habits such as drug and alcohol dependency. Behaviors such as these are very destructive for our people.

Youth grow up with this in vision, and it eventually becomes a part of their lifestyles. This contributes to multiple deaths in rural Alaska. One sad fact is that Alaska has the highest rate of teen suicide in the nation.

I believe that education, job training programs, and a tighter control on the distribution of money through Federal programs are the only ways that we can begin to break this vicious cycle. Various Federal programs force modern lifestyles upon Native people.

Modern communications such as television also project an unrealistic view of the world to unsophisticated individuals causing them to be discontent with their way of life. Many people isolate themselves in their homes watching television rather than partaking with other members of their community in traditional activities.

The Annual AFN Elders and Youth Conference is the largest gathering of the Alaska Native people. This year over 1,000 people came together, nearly 700 youth and 300 to 400 elders. There is a

need for more conferences such as this to increase the amount of Native leadership, promising us a brighter future.

I understand that we cannot return to the lifestyles of the past. However, I do believe that by merging the wisdom of our elders with modern technology and lessening our dependency upon the government, we can improve the lives of Native people in rural Alaska.

The Alaska Federation of Natives, along with other Native corporations, have made efforts to join the old traditional ways with modern technology through programs which emphasize and teach Native handicrafts, dancing, and singing in Native languages.

By teaching the wisdom of our ancestors through the use of our elders and today's technology, we will be able to preserve our culture and at the same time succeed in living in a modern world. Thank you.

CHAIRMAN YOUNG. Thank you, Melissa. I at this time want to thank all of you for your testimony, and I will recognize the gentleman from American Samoa for a question. Then I have a couple questions.

Mr. FALCOMAVAEGA. Mr. Chairman, I believe you had asked me that I defer my question to this panel on that particular issue; and I certainly would like to ask Ms. Kitka for her understanding of the controversy surrounding Assistant Secretary Ada Deer's comments about this particular issue.

Ms. KITKA. Well, thank you, Mr. Chairman. My role as President of the Alaska Federation of Natives is to assist our committees and our Board in putting together the structure of the agenda for our annual convention and trying to make it as successful for our people coming into town on an annual basis as possible.

We did extend an invitation to the Secretary of Interior and Assistant Secretary Deer to join us at our convention and share with us activities from last year to this year on that. And so we very much welcomed Assistant Secretary Deer as the leading Federal official, together with Assistant Secretary Bob Armstrong and Special Assistant Deborah Williams as part of our agenda and participating and sharing their views on things.

In regard to Assistant Secretary Deer's presentation dealing with the issue of ANWR, I had no objections with her expressing the Clinton Administration's views and her carrying that forward. However, I do have great problems with her urging our people to make a decision one way or the other on that and urging our delegates to overturn our Board's action.

I do think it is inappropriate for Federal officials to come in to a gathering such as that and take that type of action. I think that our delegates should be allowed to make up their own mind and engage in their own debate, and so I do think that they did cross the line on that.

Mr. FALCOMAVAEGA. Basically, the Board made that recommendation, but was the result of the convention? Was there a decision made on—

Ms. KITKA. Yes. There was a decision made by our convention after many hours of debate. In fact, I gave to Secretary Babbitt on Monday a copy of a videotape of the entire debate. Our convention is televised out to all the villages, and so we edited it down to just

the debate and conveyed it to him so he could see the debate for himself, what is going on.

We would be glad to make that available to the committee if they want it, but basically a lot of strong views that were articulated at the convention, many strong views in favor, views very strongly held against that, and many views wanting our organization to remain neutral.

The resolution urging our organization to remain neutral was defeated on a roll call vote, basically at about a 2 to 1 basis, and then the resolution going on record at the convention in support of opening up ANWR passed by our convention, and so that is our official position. Our Board had taken that action in June, and it was ratified by the convention in October.

Mr. FALCOMVAEGA. And the result of the vote?

Ms. KITKA. The result of the vote is we are in favor of opening up ANWR with responsible environmental protections, with protection of our subsistence hunting and fishing, and the people most affected, and strongly urged that there be economic opportunities and jobs and so forth for our people so that we can benefit from that also.

Mr. FALCOMVAEGA. Just one more question I have, Mr. Chairman. There was some mention that the Commission's report has I guess somewhere in the realm of about 100 recommendations, and I wonder if you could help—it certainly would be helpful to this member and the committee—how we might be able to work out these 100 recommendations. Are they in order of priorities, or are they all of the same priority level? I mean, is there some way that it might be helpful to the Congress?

Because I certainly would welcome any suggestions how we might be able to resolve the 100 recommendations contained in this Commission report. I mean, what would be your best suggestion on how we might work this thing over so that we could at least work on those issues that are of immediate concern to the communities and maybe others that may not be as necessary?

I imagine the vast majority of the recommendations entails appropriations needs or funding. Has the Commission taken any thought on how we might be able to work, whether some recommendations are money oriented, some are policy oriented, some are in any way as far as priorities are concerned?

Dr. SOBOLLEFF. I happen to belong to one of the oldest Native organizations in Alaska, and we always felt that health was our number 1 priority, and all others came after that. And I believe that would be the general tenore of our folk up there. Anything that pertains to health would be number 1, and others are relative.

Mr. FALCOMVAEGA. Thank you, Mr. Chairman.

CHAIRMAN YOUNG. I thank the gentleman.

Ms. KITKA. Mr. Chairman?

CHAIRMAN YOUNG. Yes.

Ms. KITKA. Maybe I could further elaborate in regard to a process from this. I testified earlier that we requested hearings on the other major segments of the report that weren't addressed today, but beyond the idea of hearings and having further opportunity to bring in testimony and suggestions on that, I would like to respectfully request that the joint committees consider going forward in a

bipartisan way to address the issues that are of most concern and work with us.

We would be willing to work with the committees in drafting legislation which hopefully could be introduced as early as January. And if the committees agreed that we could go forward in a bipartisan way, address the most urgent things, try to get that put together in a package, I am sure that we could get the assistance of the State of Alaska and others and try to fast track those things, those impediments that the Federal Government has in the way that have been identified in the report and try to go forward with the first set of recommendations on that.

CHAIRMAN YOUNG. Well, Julie, you know that I think I communicated already this is what I expect. This committee is very bipartisan, by the way. It is one of the best parts about it, but we need your input.

I am not about to sit here and tell you how you can solve your problems. Number 1, I think it questions the Commission. Number 2, as the Commission has found, if there is a feeling that the people have been heard, we can achieve the goals that they seek.

And I don't believe—I forgot who it was—the testimony a while ago about people coming in and solving all your problems, and all they do is create more problems. And so that is what I am asking you, and we will do that. This committee will move sound recommendations very quickly.

Which reminds me, you mentioned that the alcohol problem which is a common known problem—the state plays a major role in that. It is my information that communities can now—I think there has been a decision—make a decision on alcohol—the distribution-consumption rules, et cetera. Each individual community can do that. Is that correct?

Ms. KITKA. There are some very strong tools available to our communities under state law, local option laws, and I believe there are some 60 villages that have taken votes and have gone from different stages to completely dry and no alcohol allowed to dampen and some progression of that.

However, there are still problems with the implementation of that, namely, enforcement, and also we don't think that they work as well as they should. And we think that there should be additional Federal authority devolved down to the villages, that the Secretary ought to be urged to devolve as much authority that he has under Federal liquor; the ability on Federal liquor ordinances to give the villages all the tools that they need, not only under state law, but under Federal; the ability of the Congress under the plenary powers on that to give our communities both the authority to do something about it, the responsibility, and tell them, "It is your community. You now have the authority. You have the tools. Now, you have the obligation," and put the onus of the responsibility of dealing with alcohol, developing any programs dealing with alcohol offenses, especially things that do not deal with felonies, juvenile issues and something, under the control of our communities so our elders and our communities can take responsibility and have the ability to have their decision stick in the community and build on our community values and systems of mutual responsibilities to each other.

Mr. FALEOMAVAEGA. Would the Chairman yield?

CHAIRMAN YOUNG. Yes. I would gladly yield.

Mr. FALEOMAVAEGA. One of the miracles of our committee is the fact that the good Chairman on all issues affecting Native Alaskans comes directly under the jurisdiction of the good Chairman, and I think that is great.

And I would like to say to the Chairman that I would be more than happy to assist in any way on a bipartisan basis as was the spirit enunciated earlier by the good Senator from the State of Hawaii. And that certainly I would be more than happy to assist in any way dealing with the needs of our Native Alaskan communities.

CHAIRMAN YOUNG. I thank the gentleman. The question, Julie, or the comment I have, I think personally, and I am going to have my legal beagle here check it out—I think you have that authority already if you are willing to take it in your own hands and say, for instance, drunkenness could be a crime. Under state law it is not a crime. Now, keep that in mind.

When I first went to Fort Yukon, being drunk in public was a crime. And then the state came along and said, "No, you can't consider that a criminal act." Now, you may disagree with me on that, but really we will look and see whether you have that authority. And if you don't have the authority, I am reluctant to get involved in the state laws, but, if necessary, I do believe we will give you total authority because that is the key to it.

I mean, when you go into Venetie, we have one of our elders there that meets most of the planes, and groceries are checked. You may not like that. It works. If one maple syrup is found out to be 100 proof alcohol, it is poured out. And it keeps a village, you know, without having those terrible problems that do occur. Some people think it is an infringement of rights, but I think that is a decision you have to make.

Compacting—I was going to ask you a question about the compacting with the BIA. Now, I have had a lot of complaints about compacting about—I guess it is with the IHS or one of them where the compact is made, and then the payments aren't made to the compactors. Otherwise, like Maneluaq or Kawerak or the rest of the areas. Have you had better success with compacting with the BIA than you had with the IHS?

Ms. KITKA. Well, we would certainly be glad to get you some responses from the major compactors in the state that are going forward. I do know that there have been some implementation problems with that.

I believe that there has been greater success probably with the Bureau of Indian Affairs in compacting. However, elevating the office of self-governance within the Department to the Secretary's Office might help that even further.

The big push that—I mean, I strongly believe that the compacting model is one way that the Congress can quickly devolve resources to put it in the hands of Native Americans that can themselves decide what is the most urgent need.

CHAIRMAN YOUNG. And I agree. I am going to suggest the idea of 10 cents on the dollar, the present system, versus 50 percent on the dollar, I would like to say it should be 90-10. I would like to

bring that up—90-10 for the Native tribes, and I think we would get better results from it.

I never understood why we have to have such a huge bureaucracy administering to the recipients of services when the decisions could be made better locally. I know the health care center in Bethel is run I think very well, but they have had problems with compacting. That is one of the areas I was talking about.

So we will be looking at that problem and see if there isn't a way we can expedite it and get—this is all state compactors are suing IHS. That is for noncompliance so it was IHS. I was trying to remember who it was. It is just that they have not—after the agreement is reached, the government is not fulfilling their role.

Now, I also will tell you we are going to find out why the BIA and the Department of Interior is not really leading the battle. Why should one of the compactors have to sue another Federal agency? That is a terrible loss of money. And would you change that light please? I am the only one here so I can have lots of fun with it. Thank you.

You referred to the liability clause. I happen to agree with that. I am not going to point fingers this time, but it appears to me though there has been really a big step forward with—the AFN I believe is the signers with Alyeska Pipeline. Can you just give me a breakdown of what that agreement, you know, says briefly? I know you have got it in your testimony, but I would like to hear it.

Ms. KITKA. Well, the Senior Vice President for Alyeska, Doug Webb, I believe is on the next panel, and he may go over some of that. But the major aspects of the Section 29 agreement—I apologize for speaking funny with my cold—but the major components of that is the commitment of Alyeska Service Pipeline Company to have both itself and all its contractors retain the 20 percent Native hire goal in their employment and work to that under a series of staged targets, starting from where they are at now on Native hire in such categories as managerial, professional, technical, clerical, and so forth on that, starting where they are at right now and moving over a period of I believe it is 12 years on a staged process to improve Native hire both for the company and its contractors. And I think that that will improve the economic opportunities for Alaska Natives in jobs both at Alyeska and its contractors as they approach that.

There is also a commitment from the company for \$25 million over the next 12 years, about 2.1 million a year, for implementation of the Section 29 program. Of that, 750,000 is targeted toward scholarships to Alaska Native people to get the education and training that they need to qualify for jobs, and I think that that is going to have a very positive impact. In addition—

CHAIRMAN YOUNG. I will ask Doug this, Julie, but are you getting—I like the idea of the scholarship. But are we getting more information into the lower grades about the future opportunities?

One of the problems I have had all along with Alaska, and we go in this job training program, we start training them when they are 24 years old. And when they get done training them for that job, the job that they were training for is gone. And somewhere along the line part of this package has to be information into the

elementary school level, high school level, and then the training aspect itself, so there is an acceptance of this opportunity does exist.

Otherwise, we are treating alcoholism—it is not alcoholism, but they talk—we rehab an alcoholic. What we should be doing is keeping the alcoholic from occurring. What we should be doing in the job field is making knowledge available so the jobs are available, and this is what you have to do when you are in fifth, sixth, seventh, eighth, ninth, tenth, eleventh, and twelfth grade, and then go into the training field.

I hope we are just not looking, well, he is 24 so now we send him to Palmer or we will send him to Seward or we will send him to Kotzebue for training. It should start a little sooner than that. That is just an idea, and I don't know what your agreement involved, but it is something I would like to suggest.

Ms. KITKA. Well, there is a provision in the agreement that allows for contributions to community programs which—and it was contemplated that some of the contributions might be the programs that are not like college or technical. It may be, in fact, programs like the Rural Alaska Honors Institute in Fairbanks which is junior and senior high school students from all over rural Alaska.

So I think that there is some contemplation to deal with that, but I think that one of the unique opportunities of this agreement is to try to shift Federal and state policies to support some of these efforts.

One example of something that is positive in the agreement is the agreement to develop a data base of Native individuals for the oil industry workforce on that and try to get cooperation from all our groups to feed into that and keep that a live, active process so that when companies or contractors have a need for Native employees that they can get that readily and have some of the most qualified people.

I see that as an opportunity for the state and the Federal Government that deal with employment issues to try to maybe build on that idea. I mean, if we are looking at 75,000 potential Alaska Native workers in the year 2000, the data base that has got 75,000 names on it that is as simple as possible and it is as efficient as possible ought to be doable so that we can address issues such as state—need for state to increase Native hire or the Federal Government or private companies doing business.

One of the most kind of rewarding things following our convention and the signing of the Alyeska agreement was a phone call I got from AT&T Alaska which is another big company in our state which wanted to talk about how can they increase Native hire in their company and retain the Native employees that they have. And that is an unexpected plus from this positive agreement that just got signed.

CHAIRMAN YOUNG. Melissa, you talked about recognition, that you can't go back, and I happen to agree. If you want to go back, that is an individual decision. It is awful hard to go back, and like my partner who I love dearly—he is burning oil instead of wood now—he talks about the good old days when they didn't have much to eat, and they weren't warm very often. He likes present days, although I do have some people saying that is not the way it

should be. They ought to be living in their culture. That decision has to be made by you or the individual person.

How do you see melding the two together though, the TV in the living room and the trapping of a martin or the snaring of a rabbit? How do you see that working with the youth today, or is there a role for both of them? How do you see that yourself?

Ms. BERNES. You mean like—

CHAIRMAN YOUNG. I mean, how do you get the two together? See, I have run into this all the time, you know. I want to live the old style life, but while he is saying that, he is watching television.

Ms. BERNES. Yes. You can't get rid of the television and stuff because it is going to always be there. It is just the modern way of life, but after RATNET was cut off, they have the ARTS program. And on there they have a lot of cultural programs. They show families—how they go up to their summer camps and split their fish and stuff like that. And also you can use the modern technology such as computers to preserve your languages and still go on with your life.

CHAIRMAN YOUNG. I think that is probably the biggest challenge because unfortunately we have outside influence. Always used to say including Native there, they must retain their culture as if only one person can direct what is considered culture.

And I guess one of my running battles in my years at Fort Yukon has been the briefcase expert that arrives off the airplane and decides what is best for everybody in the town and gets back on the airplane and goes back down to the Captain Cook. That is very frustrating to me.

And I hope in your recommendations that you make back to this committee, and I will say that everybody in the Commission and working in conjunction with AFN and the village Native associations, your recommendations will have to come from you. I don't want you to say or think about your job being over. It is not going to be over. And as Julie mentioned, we will be working on legislation.

I am one that also believes that laws do not solve everything. I am also one that believes that there are laws now being implied about—we talk about economic development—that will impede and inhibit and slow down anything you attempt to do. Mr. Vento mentioned all the other laws, and it is unfortunate some of those zealotly apply to the American Indian groups that try to advance themselves and slows down the process.

If you have some recommendation on how we can expedite the process for whatever it may be in the area you are talking about, and it may be in tourism or mining or oil or timber or I don't care what it is, then I would like to get those recommendations. I think that is the main thing. What I am trying to say is we don't have all the answers.

If you think that we can solve your problem, then you come to us and ask me why won't this work, and I will have to give you a reason why I don't think it will work. And if you can show me why it will work, we will try to implement it into a law, be it regulation or a direction to an agency that helps you improve and achieve that goal of self-reliance. That is my main effort here. Doctor?

Dr. SOBOLEFF. There was a general consensus regarding that very point you raised. When the folk came out to present their hearings, we heard them say we need to be doing our part too, and that is a rewarding expression. We need to do our part.

CHAIRMAN YOUNG. Well, I look forward to that, and as the gentleman from American Samoa said I have a good committee. I think you saw this here. We have a very bipartisan group. We have other problems in America with American Natives, but my main goal here is to solve the challenges and provide the opportunities for the Alaska Native which I think they justly deserve.

But more than that, it is part of our society. And I know the governor is still in the room. I want to thank the governor still for sitting there so patiently because you cannot have a state divided. You cannot break it into the groups.

I think one of the most frustrating things I have as an individual that is very well acquainted with the rural part of Alaska is when someone looks upon me with disdain because I am a white man, for instance. There is no room for hate in this business, and I know both sides have it.

But there has to be that feeling that we have a greater responsibility. That greater responsibility is trying to leave a better future for our younger people. We have not done a good job of that, and I think that is our main goal, and quit pointing fingers and utilizing—I call it the negative part of our society and which is the easiest part and that is hate.

It isn't just Alaska. It is all over this nation today. There is not as many happy people as I would like to see. And I have spent my career trying to meld together a unified state with understanding for one another; not total agreement but at least respect for one another. And that comes from within too, the respect for oneself. Yes, Walter.

Dr. SOBOLEFF. I also would like to add the concept that we have a people here that do need a certain amount of help, and we would appreciate that certain amount of help to never cease. But we will also do our part in keeping the life cycle going like it should be going. And I think that that should be known.

CHAIRMAN YOUNG. I thank the panel, and, again, if I can say for my colleagues, one of the most difficult things we have in this job is time. My members that are not here right now it is not out of disrespect for this panel or the next panel. It is because they have a lot of other obligations. And whatever is said here today will be and is recorded, and as the gentleman from American Samoa said, the main part about it is the Chairman is still here. And I do thank the panel, and you are excused.

The next panel will be Sarah Scanlan from Kotzebue, Vice President, Human Resources, NANA Regional. Boy, I am hearing lots of people from Kotzebue, a great town. That shows you what you can do when you have a viable community. And Doug Webb, Senior Vice President, Alyeska Pipeline Service Company, Anchorage, Alaska. Sarah, you are up first, and then we will have Doug. Sarah, you are on.

STATEMENT OF SARAH SCANLAN, VICE PRESIDENT, HUMAN RESOURCES, NANA REGIONAL CORPORATION, KOTZEBUE, ALASKA

Ms. SCANLAN. Thank you, Congressmen and Chairman Young. I appreciate the opportunity to share with you some of the great things actually that are happening as a result of the findings from the Commission's report. Unfortunately, in the interest of time, I am going to shorten my testimony.

You have a full, written report in front of you, and I would encourage you and the rest of the committee members to review that to get the full strength of the kinds of things that are happening in Alaska that are putting the recommendations to work.

You have heard about the bleak status of the Alaska Native people, and the statistics are alarming. Things are bad. But as was stated in the report, the tears that came from sections of the report were offset by the laughter and humor that reflected the strengths of Alaska's Natives who refuse to be beaten.

And that is the reason we are here. Despite the alarming statistics of despair or dysfunction and at times of feeling that positive change will never happen, there is hope. That hope comes from the fact that there are examples of the willingness and desire to increase the number of people and communities who want to improve their quality of life.

And, unfortunately, it has taken us too long to speak openly of the need to break the dependence cycle on government. And, unfortunately, we are still not sure about what that really means. On the one hand, we want to figure out ourselves the best way to do things, and yet we do not have the independent economic infrastructures to take over the role that government has played. The recommendations in the report are good ones. We now need to move to the detailed how-to's to make them work.

Again, I am not going to spend any time on the problems that you have heard enough about. We have all talked about them for too long. Instead, I am going to concentrate my comments on the kinds of things we are doing to make the recommendations work. And it was interesting. I was thinking back here that as the Commission was working on its recommendations, we were putting them to work. And, again, I want to share some of that with you.

Unfortunately, again, we know all of the things that create dysfunction in our people. We know that we haven't come from healthy home environments. We know that we have not had the partnerships between the communities and the K-12 system. You mentioned earlier about training people when they reach the age of 24.

Our school systems, our economic development activities haven't been talking to each other, and I will talk a little later about what we are doing to get that to happen. And then also as employers, we haven't always understood our role in preparing our human resource.

Just recently, in the Alaska Business Monthly, NANA was listed as the fourth largest Alaska-owned, Alaska-based business. We currently have just under 1,100 employees, and during the year, we employed just under 700 Alaska Natives which includes other corporations' folks.

The payroll to the end of September for NANA shareholders only was just over \$6 million. And one of the other statistics, we though of our current workforce only employ 25 percent NANA shareholders. So you might be asking why are we only employing 25 percent, and is this representative of what is going on with the other corporations?

Quickly, I will just cover that, you know, we have had to deal with the issue of the absence of well-being. That topic is well covered in the report. We tried to deal with the alcohol problem. That has been talked enough about. Unfortunately, we didn't deal with the symptoms or the underlying causes. We just dealt with the symptoms. So we weren't always successful at that.

And we have come to the realization that taking on a warm, ill-prepared body and sticking it into a workplace with many standards of performance without adequate orientation and some initial training wasn't going to cut it. We knew we were dealing with a people whose sense of well-being was lacking.

We knew we had come from difficult childhoods, again, all of which are covered in the report, and we knew we didn't know how to cope well. We were always quick to blame others, and we knew people generally didn't know how to ask for help because the support systems were not there.

So here we were trying to become a successful business, knowing our potential workforce was coming from communities where role models in most cases were just seasonal employees. We had a poor education system that did nothing to prepare people for work. There was already a great dependence on government which made people think, "I don't need to work."

And there was a reluctance for our Native people to be supervisors. We had always been told by others what to do, and for our young men a fear of leaving the village to take a job elsewhere because his whole self-worth had been stripped away through the very rapid changes as discussed in the report.

So we have learned that we have got to create partnerships at the local level, get all of the players together, the school system, communities, employers, government folks, and start working toward creating the curriculums that will train kids from K-12 and into adulthood for the emerging and existing employment opportunities that exist in that specific area. So we have started that up in the NANA region. It has taken off very well and very, very much supported by the community.

We have had to do a lot of other things to figure out how to get this issue of employing Alaska Natives to work. We are transitioning to a Deming-based quality company. We understand that in the world that is the only way we are going to survive. And part of that whole philosophy involves empowering Native people.

What that means for us is that we have now been given the brains to figure out that decisionmaking should be done in the front line. It has taught us and our employees are telling us that people are excited about being given responsibility and the power to make decisions.

They are happy about working cooperatively across department lines. They are enthused about knowing what is going on through improved communications and how they fit into the overall success

of the organization. And they are gratified in realizing that others think their ideas are worthwhile.

And, again, this whole effort is occurring primarily with our Native staff who are in the office support positions right now, and we will expand that to include the rest of the employee base.

We have also paid for a number of training types of sessions for our employees, both culturally and technical development. We allow our employees to bring their children to work. We have an employee assistance program that offers all kinds of counseling. We have an active employee association that makes for fun in the workplace. We promote healthy lifestyles. We allow our facility to be used after hours for employees for things such as training children in self-defense.

One of the other things that we have had to do is try to go out and get data from our shareholders about, "What do you think we should be doing? What is NANA's role to you?" And, unfortunately, one of the things that we are learning from our shareholders—and as we speak the President, Don Curtis, and Chairman Westlaker are out in the villages—the shareholders generally think that we are an extension of government, that they expect us to take care of everything from housing to medical transports, child care centers.

And the downside for that is that we continue to carry forth the mentality about, "Don't worry about things. We will take care of it for you." So you can see that we were all brainwashed well, and we are going to have to try to figure out a way to get away from that.

We are attempting to increase the awareness statewide about human resource issues as they relate to Alaska's Natives. We have recently formed an Association of Alaskan Native Corporation Human Resource Managers for a couple things.

We think the sharing of information of what works, what doesn't work, and who is available for work will increase the opportunities for employment, not only in our respective organizations, but with all other employers in Alaska as well.

We have increased. We were one of three regions to add children born after '71. We have almost doubled our original enrollment size. We are now just under 9,000 shareholders. We have realized that NANA itself cannot possibly employ all those folks so we have had to figure out what we can do in the villages to create economic development. And you talked earlier about that also.

We are looking at expanding our tourism activities. We are looking at information-based opportunities. We are looking at as long as this welfare system exists what do we need to do for community service.

There are lots of opportunities for village improvement and quality of life improvement that people can and should participate in as long as those transfer payments are coming in, and that can serve as income to them for jobs that they do.

You have heard a lot about the Red Dog project. We have got the new deposit. We have 250 shareholders, Natives employed with an average salary of about \$50,000 a year. We have revenues coming to NANA; 7[I] revenues to other Native corporations.

I just wanted to let the committee know that we know that responsible economic development can occur. It has been proven on the Red Dog project. I wanted to thank the committee for your support in the past on Red Dog, and I also wanted to go on record as supporting the development of ANWR, that NANA does support the development. There seems to be some confusion about that, and I wanted to state for the record that we do support development.

CHAIRMAN YOUNG. Thank you, Sarah.

Ms. SCANLAN. We have learned quite a few things about what works and what doesn't work. Those are included in my statement. I did want to have one final paragraph that I would like to read into the record. Because of the growing awareness and determination of Alaska's Natives to become well again and be the loving, supportive families and communities we once were, we will get there through a long and slow process.

We will identify the drumbeaters for the importance of education. We will understand what commitment to making things happen means. We will create the partnerships necessary to have all of us moving in the same direction for the good of the whole.

We will learn to give up power and authority to empower others. We will train our leadership to stop creating the dependencies, and we will continue to teach what being responsible means and be accountable. We ask for your cooperation in these areas too. And thanks again for the opportunity to comment.

[Statement of Ms. Scanlan may be found at end of hearing.]

CHAIRMAN YOUNG. Thank you, Sarah. Doug.

**STATEMENT OF DOUG WEBB, SENIOR VICE PRESIDENT,
ALYESKA PIPELINE SERVICE COMPANY, ANCHORAGE, ALASKA**

Mr. WEBB. Mr. Chairman, good afternoon. I would request that you include my written comments in the record in their entirety.

CHAIRMAN YOUNG. Without objection, they are. No one is objecting so go ahead.

Mr. WEBB. I also am going to brief my comments. We have been at this for a little over three hours, and I am the last witness. So I will try to make it a little more brief. Mr. Chairman, I am going to apologize in advance if I sneeze into the microphone. I was well when I arrived here on Monday. I think I am catching the non-essential beltway flu.

CHAIRMAN YOUNG. May I interrupt a moment there? Julie, you have got a cold? Oh, and Doug—wait a minute now. I mean, I have seen this togetherness in signing compacts, but let us talk about this. Go ahead, Doug.

Mr. WEBB. Mr. Chairman, in late 1993, Alyeska conducted a thorough review of the programs established to meet the requirements of the right-of-way agreement. We were prompted to do this because of other audits that were occurring at that time.

We had just undergone the 60-day BLM audit, and we were starting an internal audit that was to take 10 months and be tremendously thorough. We felt that it was also important at that time to extend this self-examination to the right-of-way, both the state right-of-way and the Federal.

As a result of that review, we concluded that our program for Native hire under Section 29 was not as effective as we wanted it

to be. We appointed a team of Alaska Native employees and human resource consultants from Alyeska to identify and address specific areas for improvement.

This team worked for eight months to develop a proposed new Native Utilization Agreement designed to be more effective for the operations era of TAPS, to replace the original construction era Native Utilization Agreement. It was submitted to the Department of Interior in February of this year for review and comment.

Negotiations between the Department of the Interior and Alyeska occurred over an additional eight months. Alyeska also conducted extensive discussions with the Alaska Federation of Natives. And I would like to specifically acknowledge and thank Julie Kitka for her significant quality input that has helped us substantially improve this new Native Utilization Agreement.

On October 20, 1995, Alyeska President, David Pritchard, was joined by Assistant Secretary of the Interior Bob Armstrong in the signing of the new Native Utilization Agreement. We were very pleased that this took place at the annual convention of the Alaska Federation of Natives in Anchorage.

I will now describe a few key parts of this unique agreement. The objective of this agreement is to renew our efforts to find, recruit, train, and advance Alaska Natives through jobs with Alyeska and our principal contractors on TAPS, many of which are Alaska Native corporations.

Our long-term goal is to have a workforce on TAPS made up of 20 percent Alaska Natives. Currently, eight percent of the TAPS workforce are Alaska Natives. Alyeska has committed to spend more than \$2 million per year for 12 years to support the programs required to find, recruit, train, and advance Alaska Natives.

This will include at least \$750,000 per year in various types of scholarship programs. And in somewhat of an answer to your question to Julie a moment ago, there are three types of scholarship programs that we have recognized: the traditional college scholarship program, the vocational training that is necessary from time to time, but then also a systemic kind of scholarship.

And these are the kind that would include the University of Alaska at Fairbanks, Rural Alaska Honors Institute that Julie described briefly. We think it is an excellent way to get kids in the high school time period ready for college and assimilated into college when they get ready to go. We also support the Mount Edgecomb High School in Sitka as being a high school that really does get kids ready for college.

Additionally, Alyeska has committed to contribute \$6 million in the next six years to an AFN educational foundation formed to improve opportunities for Alaska Natives. Our focus will be in four areas: first is jobs, the direct hire of Alaska Natives; the second is internships and other internal training opportunities available to current and prospective employees; scholarships for Alaska Natives is the third; and the fourth is other programs such as mentoring and counseling.

We don't presume to know yet how to overcome every obstacle we will face in reaching our goals. We will continue to work closely with the Alaska Federation of Natives and our Alaska Native Corporation contractors to achieve these goals. In addition, we will

continue to consult with congressional committees of jurisdiction and appropriate agencies of government.

Mr. Chairman, with your indulgence, I am pleased to introduce to you the recently appointed manager of Alyeska's Native Utilization Program. She is Ms. Kathy Mayo, formerly the founder and Executive Director of the Doyon Foundation. Of course, you know that that organization is an Alaska Native nonprofit corporation providing education and professional development services to Alaska Natives in Alaska's interior region.

She will be supported by Mr. Charles Hubbard who will be the Native Utilization Program Business Advisor. Mr. Hubbard is an Alaska Native who has worked as an operations technician for Alyeska since 1981. He is also the immediate past Chairman and CEO of the Ahtna Native Heritage Foundation.

Ms. Mayo and Mr. Hubbard will be responsible for day-to-day implementation of the Native Utilization Agreement. We are fortunate to have two people with exactly the correct mix of skills, experience, and connection to the Alaska Native community to lead our Native Utilization Program.

Let me stress that no Alyeska employees will be laid off in order to meet the goals of the Native Utilization Agreement. However, we have analyzed the demographics of our current workforce, and it indicates that we can expect a significant number of retirements throughout our organization over the next 10 years. Alyeska intends to use the opportunities created by those retirements and other types of normal attrition to increase Alaska Native hire as we implement the new Native Utilization Agreement.

This agreement represents the principles of respect and dignity Alyeska and the TAPS owners hold for the Alaska Native community. We look forward to a long, productive relationship with Alaska Natives. We know how important they are to the success of the Trans-Alaska Pipeline System.

This concludes my presentation. I have provided a copy of our 1995 Native Utilization Agreement and request that it be included in the printed record of this hearing. I will be glad to answer any questions you might have, Mr. Chairman.

[Statement of Mr. Webb and the Native Utilization Agreement may be found at end of hearing.]

CHAIRMAN YOUNG. Thank you, both of you, for very excellent testimony. Doug, on this agreement, did the numbers or do they include the contracts that Doyon has, NANA has, Ahtna has?

Mr. WEBB. Yes.

CHAIRMAN YOUNG. I think every line of the pipeline has a Native corporation contract with Alyeska. Are the numbers, the 20 percent, included in that?

Mr. WEBB. Yes, they are.

CHAIRMAN YOUNG. OK. It goes back to one of my biggest concerns, and I do congratulate Julie and the rest of you who worked, Doug, on this agreement. We have a battle here about resource development, and with all the training and all the agreements, if we don't have any resource development, we don't have any jobs.

All the agreements you have—because if you don't exist, there is no work. And that is one of the hardest things that I have to get people to understand, that this goes beyond really the pristine area

of which you are speaking of. This goes to the economics of part of our state, that I don't understand where they think any other type of economy is going to come from. You know, it is going to be very difficult.

By the way, Sarah, I am more mature than you are in the sense that I am a little older. I don't think I am more mature, but I have the one thing, time; I have been able to go to every village of over 100 people in the State of Alaska in my 34 years. And you can see a total change between before 1971 and the Alaska Native Land Claim Settlement Act.

But more than that, you can see the villages that have the opportunities and the attitudes. And I want to congratulate you in Kotzebue, and NANA's work has been done there. And I don't know what it is just the individual leaders—you know, you had Frank Ferguson, the Senator, and Willy Hensley, and John Schaeffer, and Marge Baker, and all these people were there.

It is an example of what an area can do if the opportunity comes. You go into the town, and most people are happy because they are, in fact, employed. I think that is a classic lab example of what can occur, and we are seeing it somewhat in Dillingham because of the fisheries. CDQ's—the best thing the state ever thought of, best thing we have ever done in the Magnuson Act because there is that employment factor.

If anybody ever saw that, now if we can extend that a little bit which apparently we are doing, Doug, under your agreement, it is really going to make a lot of difference in the structure of our state. I don't have any other questions.

Do you have any other comments? I know it has been three hours. And those in the audience, I want to congratulate you for sitting there so patiently. Any comments from Sarah or Doug? I would gladly try to respond to them or anything else you would like to say?

Ms. SCANLAN. I just wanted to again thank you for giving the opportunity for us finally to come and speak to you and to let you know that truly there is a desire to improve the way things are. We appreciate your continued support for all of the things that we are trying to do.

All of us recognize it is going to be a slow and agonizing process to go from this dependency cycle to when we were trained to do things on our own. But we do need your support and assistance, and we will try to give you specifics as you request it to show you what the priorities are.

CHAIRMAN YOUNG. And I thank you. One of the things that—it goes back to Red Dog—and, again, it is my pet peeve so while I am still here—is the problem we had getting the right-of-way from Red Dog because it went through a park created after the Alaska Native Land Claim Settlement Act which gave the Alaskan NANA region a right for economic development. Yet, they were saying no. We had to just about beat people on the head to get it done.

And that is some of the things I would like all the regions and all the Commission members to think about, where we can be of assistance and see if we can't get—the agencies should be helping you instead of hindering you—to give you that economic base.

You know, there is absolutely no reason why they wouldn't give you the right-of-way, but we had to do a lot of finagling. They finally got it done. It took us two years to do it, and it should have taken us two weeks. But that is an example.

I want to thank both you, Doug, and good work and you, Sarah, for your testimony, and everybody that testified. This is the conclusion of this oversight hearing at this time. Senator Murkowski offered me the opportunity to extend his regrets for not being here. He is downtown visiting the big man for a while. I am not sure who that is. And we will continue this correspondence-communication and working with you. Thank you very much. This oversight hearing is adjourned.

[Whereupon, at 1:48 p.m., the joint hearing was adjourned; and the following was submitted for the record:]

Executive Summary

**Report of the Alaska
Natives Commission**

REPORT OF THE ALASKA NATIVES COMMISSION
MAY, 1994

Executive Summary

Prepared by the Alaska
Federation of Natives



MEMBERS OF THE COMMISSION:

Perry Eaton, Co-Chairperson
Mary Jane Fate, Co-Chairperson
John Binkley
Edgar Paul Boyko
Father Norman H. V. Elliott
Beverly Masek
Martin B. Moore, Sr.
Frank Pagano
John W. Schaeffer, Jr.
Father James A. Sebesta
Walter A. Soboleff
Morris Thompson
Sam Towarak
Frances E. Hamilton (deceased)

Mike Irwin, Executive Director

Volume I

Prepared by Commission staff, providing overview and summary of (140 pp.) work product compiled through 22 months of hearings, research, deliberations. Central principles: Native Self-Reliance, Native Self-Determination, Integrity of Native Cultures. Historical causes of Native personal and cultural breakdown. Thirty-four main policy recommendations (plus 76 additional recommendations), directed to United States, State of Alaska, Native community and general public. Statistics on Native social/cultural, judicial/correctional, economic, educational, physical/behavioral health problems. Demographic and geographic data; biographical information on Commissioners; description of Commission's work procedures.

Volume II

Providing full narrative text, data and recommendations of five (204 pp.) separate studies of Native problems conducted by the Commission's task forces: Alaska Native Physical Health, Social/Cultural Issues and the Alcohol Crisis; Economic Issues and Rural Economic Development; Alaska Native Education; and Self-Governance & Self-Determination.

Volume III

Providing full narrative text, data and recommendations of two (91 pp.) separate studies of Native public policy issues conducted by the Commission: Alaska Native Subsistence; and Alaska Native Tribal Government.

HISTORICAL BACKGROUND

The idea of an Alaska Natives Commission dates from early 1989, when the Alaska Federation of Natives, in cooperation with the University of Alaska's Institute for Social and Economic Research, published its landmark "Report on the Status of Alaska Natives: A Call for Action."

Based on a wide range of socio-economic data, the AFN Report had concluded that, despite recent improvements in physical health, educational opportunities, standards of living, and access to government services, most Native villages are caught in a pervasive social and economic crisis — as revealed by abnormally high statistics of personal and community breakdown. The cultural changes of this century have been so rapid and so profound that many of Alaska's indigenous people have been overwhelmed, isolated and lost. Because opportunities for advancement in the mainstream culture are severely limited, most Natives remain poor by any American standard. And, on top of all the cultural and economic problems, a significant minority of Native people is being systematically destroyed by alcohol and other drugs — and by the violent behavior that chemical abuse unleashes within families.

The AFN Report quickly caught the attention of the Congress. When asked for follow-up recommendations by the Alaska Congressional Delegation and by Chairman Inouye of the Senate Committee on Indian Affairs, AFN pointed out that its Report had merely scratched the surface. No comprehensive study of Alaska Native status had been conducted by the United States for almost 20 years. What was needed was an in-depth policy analysis, with specific recommendations to the Congress, the President, the Alaska Legislature, the Governor and the Native community.

In July, 1989, Senator Murkowski and Congressman Young introduced a bill creating a public commission of 14 members — half to be designated by the President and half by the Governor — jointly funded by the state and federal governments. It passed both houses of Congress and was signed into law by President Bush on August 18, 1990. White House and gubernatorial nominations took another 18 months, and the Alaska Natives Commission sat down for its inaugural meeting in Washington, D.C. in February of 1992.

After two years of research, public hearings and task force deliberations, the Commission published its three-volume, 440-page Report in May, 1994. As required by the authorizing legislation, the Report has been formally conveyed to the Congress, the President of the United States, the Alaska Legislature and the Governor. This Executive Summary was produced by the Alaska Federation of Natives and is publicly available through its office: 1577 "C" Street, Suite 100, Anchorage, Alaska 99501 - (907) 274-3611.

CENTRAL THEMES

- "Whatever words are chosen to depict the situation of Alaska's Native people, there can be little doubt that an entire population is at risk...of being permanently imprisoned in America's underclass, mired in physical and spiritual poverty; of leading lives, generation to generation, characterized by violence, alcohol abuse and cycles of personal and social destruction; of losing, irretrievably, the cultural strengths essential for the building of a new and workable social and economic order; of permanently losing the capacity to self-govern, to make considered and appropriate decisions about how life in Native communities should be lived."
- "This lack of well-being, or 'dysfunction,' ...was precipitated by a century-long policy of cultural, social and economic assimilation. Rampant unemployment and the virtual nonexistence of other economic opportunities,...together with the spiritually and psychologically debilitating intervention of governmental services...has created a culture of dependency. If one theme can be identified as having emerged during the course of the Commission's work, it is Alaska Natives' seeming inability to take responsibility for local economies, governments, schools and other social institutions."
- "...the impact of government on the villages during the past quarter-century, while often materially beneficial..., has been destructive in process. The federal government appears to have believed that 'development' ...is something that can be done to one group of people by another.... The result of this systematic assumption of responsibility and control by outsiders is that village people lost hold of their communities and their children's lives. That is a fundamental fact underlying the contemporary Native...crisis."
- "...There is no end of the downward social and economic spiral in sight. Natives are still the poorest of Alaska's citizens.... There has been little, if any, return on the billions of dollars that governments have spent over the past 30 years on what has become, quite literally, a growth industry revolving around problems in the Native community."
- "The true nature of the sickness...throughout the Native village is the state of dependency which has led to the loss of direction and self-esteem. Everything else is of a secondary nature - merely symptoms of the underlying disease. Programs which are aimed at relieving the symptoms but refuse to relate to the sickness are doomed to fail and may even make things worse."
- "...unhealthy dependence...on outside decision makers and service providers...serve[s] to displace the village councils, natural leaders and extended families. Rather than having to face, acknowledge and deal with problems, the community can turn those problems over to someone else."
- "It is time to accept that the past policy of assimilation has not worked. The federal government and the State of Alaska have repeatedly chosen to ignore this fact. But it is one clearly understood by Alaska Natives. Natives must...approach the future with the certain knowledge that their world views, their traditional methods of solving problems, their ways of thinking and doing...will be given respect and precedence."
- "The issues confronting Alaska Natives are compounded by their interrelationship:
 - Reversal of the cultural and social decay in which Natives are enmeshed seems impossible without improvement in their economic condition. Individuals who believe themselves doomed to an unending future of economic dependency are in such psychological despair that little energy is left for understanding and valuing their heritage.
 - Improvement in their economic condition seems unlikely without...an educational system that works...Children and young adults who are deprived of self-respect by a culturally alien school system and then sent into society without marketable skills cannot improve their economic status.

—An education system that works for Alaska Natives seems out of reach so long as public health problems, family dysfunction, and alcohol and sexual abuse are prevalent. Children suffering from chronic diseases brought on by exposure to raw sewage or Fetal Alcohol Syndrome, children from families in which one or both parents are absent or abusive, and children who must live in communities in which the society...has failed, are ill equipped to succeed in school, even if school is reformed to accommodate ways of learning particular to...Native cultures."

- "The answer...is not surrender to this multitude of problems, but greater efforts to address all concurrently. Progress in reversing cultural and social erosion will be rewarded by gains in other areas. The forward movement of an empowered Native community...will go far in promoting substantive advances..."
- "...there needs to be a comprehensive approach by the federal and state governments and Alaska Native people themselves...[A]ny piecemeal attempts at reform will fail...The success or failure of one initiative hinges on the success or failure of others. Such a multi-faceted approach...would be a positive...departure from present governmental policy making which is issue specific and political in approach."

OVERARCHING PRINCIPLES

Self-Reliance

"...using the rights they have...from the special relationship of Native Americans with the federal government and...as citizens of the United States and Alaska...the acceptance of responsibility for individual and community actions...is the key to Alaska Natives' future well-being..."

Self-Determination

"...policies and programs must, to the largest extent possible, be conceived, developed and carried out by Alaska Natives."

Integrity of Native Cultures

"Policies and programs...must recognize, take advantage of, and maintain and enhance the traditional values of Alaska Native cultures."

RECOMMENDATIONS

Thirty-four proposals, organized in seven issue categories, are the principal policy recommendations of the Report (pages 25 to 78 of Volume I):

Social Needs and Services

1. Federal and state laws, regulations and procedures should give maximum local powers and jurisdiction to tribes and tribal courts in alcohol importation/control, community/domestic relations, and law enforcement.
2. Federal and state governments should stop developing new non-Native agency programs and research on Native social pathologies until Natives themselves can design effective approaches in their own communities.
3. Every Native village should design and implement a process of healing and recovery for its own people, and all external agency services should conform to and support that plan.
4. Federal and state appropriations for Native social service programs should be transferred out of public agencies and funded directly to those villages and village consortia locally addressing social pathologies.

Employment, Work and Income

1. Government service programs should be contracted to tribes and other Native organizations to enhance local employment opportunities, decision-making, management skills and culturally effective delivery.
2. Every federal agency operating a 638-eligible program should enforce a Native hire requirement like that of BIA and IHS; and hiring for all federal jobs in rural Alaska should give Native preference so that the work force at least reflects the Native composition of the local population.
3. Obstacles to Native employment in village capital construction projects should be removed.
4. Obstacles to Native employment in rural Alaskan extractive resource industries should be identified and removed.
5. Federal and state regulations should permit tribal design and management of income support programs (e.g., AFDC, Food Stamps, State General Assistance, BIA General Assistance).
6. Tribal governments should be permitted to design and operate local "workfare" programs that: a) require able-bodied recipients to give productive community labor in return for transfer payments, and b) provide training, child care and support services.

Law Enforcement and Justice

1. Tribes should establish culturally appropriate institutions and procedures for local dispute resolution (including tribal courts); and federal and state governments should support same with training and technical assistance.
2. The state government should negotiate formal agreements with all tribal councils, delineating those offenses within the domain of tribal courts and those under state law and specifying that VPSO's will enforce tribal ordinances as well as state statutes.
3. In addition to advocating tribal status, jurisdiction and powers, Native organizations should identify ways in which existing governmental entities can address village problems and goals effectively.
4. State parole and probation programs should be reformed by implementing them in the offender's home village, fully involving local people and traditional values in monitoring, support, rehabilitation and healing.
5. The state should establish alternative corrections programs, supported by effective alcohol treatment services and operated by local Native organizations, for all but the most violent Native offenders.

Education

1. Local control of schools in Native areas should be strengthened by: a) changing village advisory boards to policy-making bodies, and b) delegating, within five years, operating authority from REAA's to tribal governments in partnership with the state Department of Education.
2. The state government and local school districts should significantly increase the number of their Native teachers and administrators through affirmative hiring, alternative certification and other means.
3. Federal and state governments should create an Alaska Native Heritage Trust, granting funds to tribes for programs of parental/community involvement and educational enhancement of Native languages/cultures.

Physical and Behavioral Health

1. Federal and state governments should fully fund rural water/sewer projects, as recommended by the Alaska Sanitation Task Force, involving local residents in all funding, construction, maintenance and repair.
2. The entire Native health care system, now concentrated on secondary and tertiary care, should be reformed to emphasize health education and primary prevention — stressing community involvement, changing attitudes, and encouraging healthy lifestyles.
3. Congress and IHS should establish and finance an improved, timely system of diagnosis/screening for serious disease and other disorders, providing adequate travel funds for village residents to obtain same.
4. Unorganized, ineffective data-gathering by federal/state/municipal governments should be reformed into a single, comprehensive, statewide system for assessing Native health needs and evaluating services.
5. Substance abuse programs for Natives should be reformed to emphasize community-based, family-oriented, culturally relevant strategies developed by villages; and public funds for such programs should be directly granted to councils and other Native organizations.

Subsistence

1. Congress should repeal its 1971 extinguishment of aboriginal hunting and fishing rights in Section 4 (b) of ANCSA.
2. Congress should maintain ANILCA's rural preference as the minimum acceptable level of subsistence protection in federal law, resisting all state and private pressures to remove or weaken it.
3. Congress should conduct oversight of Title VIII implementation by the state and by federal agencies and should draft alternative language that provides more adequate protection of subsistence by all Alaska Natives.
4. During dual management, federal jurisdiction should be maximized - to include, at least, all public lands (including all marine/navigable waters), all conveyed ANCSA lands, all selected/unconveyed state and ANCSA lands, and extraterritorial regulatory reach off public lands.
5. Administering federal agencies should fully implement regional advisory councils and options for co-management contracting with Native communities and organizations; and the state should regionalize its Fisheries and Game Boards for greater local control of subsistence.
6. The Alaska Legislature should adopt a constitutional amendment allowing state subsistence law to comply with federal law, using language that will conform to an improved federal preference; and it should adopt laws mandating co-management agreements, effective regional advisory councils, and thorough reform of its regulatory system.

Tribal Governance

1. Congress should adopt policies supporting and strengthening Alaska's tribal governments, starting with repeal of all legislative disclaimers disavowing its promotion of the federal relationship with these tribes.
2. The Secretary of the Interior should withdraw Solicitor's Opinion M-36,975 and clarify the federal position on the Indian Country jurisdictions of Alaskan tribes through participation in pending court cases.

3. Native communities should have the legal power to transfer freely the ownership of their ANCSA lands between corporations, tribes, individuals and other Native organizations - and to govern such lands for tribal and subsistence purposes, regardless of institutional ownership.
4. State and federal governments should strengthen tribal financial bases by such measures as federal tax credits for tribal taxes paid and state funding for tribal communities equal to those with municipalities.
5. By Executive Order or legislative enactment, the state government should recognize the existence of Alaska Native tribes.

76 additional recommendations (pages 85 to 100 of Volume I):

Economics

- Federal Native hire preference • Veterans' hire preference for Alaska National Guard Service • "Local prevailing wage" standard for Davis-Bacon in village projects • Village design, construction and hire on HUD housing projects • Contracting and Native hire for surveying rural land conveyances • Native job training programs for "Information Age" opportunities • Americorps, National Service Corps employment and education • State Office of Alaska Native Recruitment (Governor) • Creation of Alaska Native Economic Development Trust, and projects • Evaluation and restructuring of ANA economic development projects • Increased support of Native businesses by Alaska's ARDOR's • Increased public support (capital) for Native tourism projects • Expansion of CDQ program model to one other extractive industry • Creation of state Bulk Fuel Task Force, and facilities remediation • HUD creation and funding of Alaska Native Housing Authority • State task force on solutions to Native Limited Entry problems • NPFMC codification and expansion of CDQ pollock program • State and federal development of Native reindeer industry • Training programs in reindeerherding/husbandry/products/marketing • State/federal support of shellfish mariculture in Native villages • State/federal support of fin-fish farming, and Native demo project.

Judicial and Law Enforcement

- VPSO training, pay, powers, uniforms, weapons, advancement • VPSO enforcement of village ordinances and state laws • State power behind village council ordinances/enforcement/adjudication • State agreements with village adjudicators on respective domains • State task force identifying parameters of village court powers • Cultural evaluation/reform of state judicial system regarding Natives • Appropriate village dispute resolution, and governmental support • Revised state goals for punishment, rehabilitation and protection • Culturally effective, village-based punishment alternatives • Culturally effective transitional living/rehabilitation/treatment for Natives • Early, effective substance abuse counseling for Native inmates • State hire of capable Native corrections counselors • Detailed reform of state policies on Native parole/probation • Village monitoring and support roles in Native parole/probation • Aggressive state hire of Natives in law enforcement/courts/corrections.

Local Self-Determination

- State/federal recognition of all village governments (TC, IRA, city) • Evaluation and expansion of local government assistance programs • Identification of effective roles/powers for existing local governments • Evaluation of BIA programs and funding, and 103(a) reinstatement • BIA 103(a) training, and ANA tribal government training • Regional non-profit training and funding of village tribal governments • Cost-effective transfer of service programs from non-profit regions to villages • Evaluation of non-profit regional programs, limiting costs, shifting programs • 5-year \$50 million congressional funding to tribes for social problems • Reform of Fish and Game Boards, and strengthened regional councils • Regional council review and veto power over subsistence regulations • State task force on solutions to Native Limited Entry problems.

Education

- K-12 village schools, regional/distance enrichment, voc ed programs • Local control of schools through policy making boards and Native hire • Development of model Native curricula [K-12, post-2nd, traditional] • Career development/training/certification/hire of Native educators • Parent/community involvement in education, and Native Heritage Trust • State steps to increase percent of Native teachers/school employees • Tenure reforms and Native hire to stabilize village teaching work force • Federal/state reforms of school funding and management in villages • Creation/funding of Alaska Native Heritage Trust, and tribal grants.

Physical and Behavioral Health

- Alaska Sanitation Task Force; construction/maintenance/operation • Data coordination (ANHA, CDC, VA, state, health corporations, etc.) • Data reform (health needs, risks, wellness, delivery evaluation, etc.) • Health Aide program funding, pay, work force stability, training • Adequate patient travel funds, meeting IHCIA authorization level • ANHS immunization of all Native children by decade's end • Continued BIA support and funding for ICWA tribal grants • Unified, comprehensive data system on Native child abuse/neglect • System re-orientation to primary prevention, families, communities • Native-planned program of infectious disease prevention education • Native health education curriculum (schools) for AIDS/HIV prevention • General health education/promotion for all Native age groups • Increased screening/diagnosis and preventive education for cancer • More timely/effective diagnosis and disease intervention by IHS • Community suicide prevention programs (e.g., state DH&SS model) • Evaluation/reform of substance abuse prevention/treatment programs • Creation of Alaska Native Family Development Center (e.g., Kakawis) • Early risk-detection programs for child abuse/neglect, FAS, FAE • Research/data on Native substance abuse and program effectiveness.

FINDINGS AND DATA

Social/Cultural Status

- Native annual birthrate is 36.5 per 1,000, creating large demand for village child development, education, health programs • Effective Native public education is bi-cultural (skills and values) • Native annual death rate is more than three times national average, much of it alcohol-related • Native infant mortality and Fetal Alcohol Syndrome rates are more than twice national averages • 1988, birth rate to Native girls 15-19 was 2-1/2 times national average • 1988, one of every 11 Native children received child protection services • 1992, 30% of DH&SS child abuse/neglect/injury reports involved Native children (94 per 1,000 Native children, 55 per 1,000 non-Native Alaskan children, 39 per 1,000 children nationwide) • 1992, almost one of every eight Native males 14-17 spent time in juvenile detention • April, 1993, over 27% of Native inmate population had sexually abused a child or other adult • Nearly 1/2 all Natives currently incarcerated for sexual crimes victimized children.

Economics

- Village costs of living are exorbitant; with village economies precariously dependent on public expenditures • 1990, over 20% of enumerated Native work force is unemployed, compared to 8.8% of total Alaskan work force (actual Native unemployment rates is much higher, due to uncounted work force dropouts) • In 1/3 of villages, male unemployment is 32% (four times statewide average); in 1/8 of villages, male unemployment is more than 50% • About 42% of 16,000 Native males in Alaska's employed civilian work force are in crafts, trades, service sectors • Almost 1/3 of all employed Native women are secretaries or clerks; 1/4 are in service sector (mainly food preparation, custodial) • Native women are about 60% more likely to work in managerial and professional fields than Native men • 1992, 4.8% of State of Alaska executive branch work force was Native (e.g., Law, 3.8%; DNR, 2.1%; ADF&G, 1.6%) • 21.5% of Native families are below official poverty income line, compared to 6.8% of all Alaskan families • Native families and individuals are increasingly welfare dependent.

Justice and Corrections

- Non-Native belief that only "Western" justice is workable impedes culturally appropriate village alternatives for dispute resolution • April, 1993, Natives are 16% of Alaska's population, 13.5% of its prison-age-eligible population, and 32% of its inmates • Natives are 59% of Alaska's violent-crime inmates and 38% of its sex-offense inmates • Most Native crime is alcohol-related; percentage of Native crime that is violent or sexual is far higher than state/national averages • 53% of all Native inmates are incarcerated for "most violent" crimes (assault, 14%; sexual assault, 14%; sexual abuse of minor, 13%; murder/manslaughter, 12%) • 1992, about 27% of all Native males 14-17 years old were referred to state juvenile intake system • Native murder rate is four times national average • Natives represent 43% of Alaska's misdemeanor inmates, 39% of its sex offenders, and 41% of its parolees/probationers • 1990, Natives made up 1/2 of Alaska's second-degree murder convictions, and only 8% of its drug offenders • "Charge bargaining" practices, coupled with Native cultural avoidance of confrontation (trials), may contribute to high conviction rates.

Education

- 1981-89, Native FAS rate was 5.1 per 1,000 live births (almost 2-1/2 times North American average) • 60% of Native students entering urban Alaska high schools do not graduate, compared to 12-15% Native attrition rate in rural high schools; but rural graduates have much lower average achievement levels • 1989, Native ACT scores were about 40% lower than non-Native scores • Rural schools enroll 14,000 Native students (7% Native instructors); urban schools enroll 9,500 Native students (less than 2% Native instructors) • One advantage of rural schools is low student-teacher ratios (better chances for instructional impacts) • 53% of all Alaska students (but 11% of Native students) took Algebra II; 48% of all Alaska students (but 8% of Native students) took chemistry • 3/4 of all Alaska students (but 2/3 of Native students) complete high school • In some districts, 30% of Native elementary students and 40% of Native secondary students are below grade level • Replacing boarding schools with village schools increased graduation rates, but with lower achievement scores than statewide • 1980, percentage of adult non-Native Alaskans with college degrees was five times that of adult Natives with degrees.

Physical/Behavioral Health

- Lack of adequate village sanitation/water systems is primary cause of many Native health problems (e.g., Alaska's highest incidence of Hepatitis B is in southwestern villages) • Despite \$1.3 billion public investment, many villages have only rudimentary water/sewage utilities • Heart disease accounted for 16% of all Native deaths in 1994 (5% in 1950) • Natives are more vulnerable to serious injury and infectious disease than non-Native Alaskans • Formerly low Native cancer rates are steadily increasing • 1985-89, Native diabetes rose from 15.7 to 18.2 per 1,000 • Formerly epidemic TB is no longer prevalent, but far from eradicated • Individual substance abuse and other health problems are closely related to dysfunctionality of whole communities (must be addressed together) • 39% of Natives smoke tobacco (compared to 26% of all Alaskan adults); some Native villages have 60% smoking rates • 1980-89, an average of one Native suicide occurred every 10 days, reaching 1989 annual rate of 69 per 100,000; preliminary 1990-93 data indicate continuing increase • Almost 1/2 of Native suicides are by 15-24 year olds, compared to 1/4 of non-Native suicides • 1964-1989, Native suicide rate increased 500% • 1980-89, 86% of all Native suicides were males • Late 1980's, suicide rate of Native males 20-24 years old was more than 30 times national suicide rate for all age groups • 61% of Natives live in rural Alaska, but more than 2/3 of 1980-89 Native suicides occurred there • 1980-89, 305 Natives (173 males, 132 females) were killed by direct effects of alcohol or other drugs (average of one every 12 days); this Native substance abuse mortality rate (4.1 per 10,000) is 3-1/2 times non-Native rate (1.2 per 1,000) • 1980-89, cumulative Native "Years of Potential Life Lost" (i.e., number of years individual dies before 65th birthday) attributable to alcohol were 6,607 years (almost five times non-Native rate) • Native rate of fatal injuries caused by alcohol is nearly three times non-Native rate • Native per capita deaths by fire are twice non-Native rate; about 1/2 attributable to alcohol • 79% of all Native suicides had detectable blood alcohol levels • Alcohol abuse and criminal acts correlate significantly, particularly in rural Alaska and among Natives throughout the state. □

Testimony of Alaska Governor Tony Knowles
to a joint oversight hearing of the
U.S. House Resources Committee,
U.S. Senate Committee on Energy and Natural Resources
and the U.S. Senate Committee on Indian Affairs
November 16, 1995

Chairman Murkowski, Chairman Young, Chairman McCain and committee members, thank you for having me here today. It's important that you are taking time to hear more about the Alaska Natives Commission report, and I'm pleased to be able to add my thoughts to the record.

When it was released last May, this report triggered an emotional response from many of us in Alaska, especially from the Native community. It documents deep-seated problems, but also lays the groundwork for enormous opportunities.

The report correctly and concisely identifies the most serious problem in much of rural Alaska. "The true nature of the sickness throughout the Native villages is the state of dependency which has led to the loss of direction and self-esteem," it says.

The solution to that problem is just as clearly stated in the three main principles of the report: Self-reliance, self-determination and preserving the integrity of Native cultures.

I believe the Number 1 tool for fixing the problems in rural Alaska is jobs. Good jobs are the key to economic security. By giving people a sense of self-worth and self-reliance -- whether they live in Ketchikan or Kwethluk -- good jobs are an antidote to social problems like alcoholism, child abuse and suicide.

Despite many of the grim statistics in the report, there has been considerable progress in some rural areas. The numbers of jobs are at all-time highs in some rural areas -- Bethel, Nome, the Northwest Arctic Borough, Dillingham and the relatively new Lake and Peninsula Borough.

Partnerships between the state and federal governments and Native corporations and organizations have been key to many of the successes. They help inject new fuel into what are often stagnant, slow-burning economies.

That can be most clearly seen in the development of Prudhoe Bay, where partnering among Native corporations and oil support companies has provided enormous economic opportunities for Native Alaskans.

I saw it first-hand last winter when I visited a drilling rig on the North Slope. I was impressed by the team of Native Alaskans from Interior villages working there as roughnecks. The driller had been with his company for 10 years and all were bringing home good paychecks.

The Red Dog zinc, lead and silver mine near Kotzebue is another great example of public-private partnerships. Already, that project employs about 300, many of them Alaska Natives from the local area. Red Dog will soon expand, with the state investing an additional \$50 million for new storage and conveyor facilities and the private sector owners putting up about \$100 million more.

The federal government also played an important role in getting this project off the ground by permitting a road to pass through a national monument.

Another example is the CDQ fishery program underway in Western Alaska. With the help of Congress, the program is bringing new fishing jobs and greater income to many villages.

There are many other examples of such partnerships: NANA-Marriott provides food catering to the oil fields. CIRI, Doyon and NANA all part of owners of the Endicott oil field. Doyon provides drilling services for BP and ARCO. Ahtna and Alyeska are partners in servicing the trans-Alaska oil pipeline. The Arctic Slope Regional Corporation is now one of Alaska's largest oilfield service companies through subsidiaries like Alaska Petroleum Contractors.

Just last month, as part of a Native hire agreement, the Alyeska Pipeline Service Co. announced at the Alaska Federation of Natives annual convention, a \$25-million program for training, recruitment, scholarships and employment. The goal is to put even more Alaska Natives to work along the pipeline corridor.

A true partnership is a two-way street, where each partner has responsibilities as well as opportunities. It is incumbent on Alaska's oil industry and its partners to hire Alaskans and Alaska companies. In turn, the state is obligated to be clear, consistent and fair; to be responsive to the customer side of the counter.

Despite all this progress, the problems in rural Alaska are still very real and all too troubling. Let me give you a few quick statistics from the report:

- * In the quarter-century ending in 1989, the rate of suicide among Alaska Natives increased 500 percent. Half of those were among young Natives, aged 15-24.

- * Hepatitis is considered endemic in many Alaska villages, the result of people having to handle their own human waste.

- * Cases of Fetal Alcohol Syndrome among Alaska Natives are more than twice the national average. So is the infant mortality rate.

Those grim numbers highlight the need for economic development. I believe the benefits of development -- jobs and basic services -- are at the very core of the Natives Commission's call for self-reliance in the villages.

It's government's role -- at both the state and federal levels -- to help build the foundation for that self-reliance. To do that, we need to make sure the people of rural Alaska have the right tools. Not only good jobs, but also solid schools, improved sanitation, decent health care and the ability to continue cultural traditions like subsistence hunting and fishing.

That's why it is so vital we continue to develop Alaska's mineral and other natural resources. There is no more important development opportunity than in the Arctic National Wildlife Refuge. Some of you have heard me talk about that before. I'm sure you have heard the two committee chairman from Alaska talk about it, often and forcefully.

There's a reason for that passion. Oil production has already paid for countless improvements throughout Alaska -- including in the rural areas. If it is to continue to do so -- if it is to help put the tools of self-reliance in place -- then environmentally sound development in ANWR is essential.

Let me give you a few numbers about the benefits Alaska has enjoyed as a result of oil development in our state. Eighty percent of all revenues in Alaska's treasury come from the oil industry. Since Prudhoe Bay started pumping in 1977, Alaska has spent billions of dollars in rural Alaska.

Some of the big-ticket items include:

- * \$1 billion in direct grants for construction needs, including \$300 million on rural water and sewer projects.

- * More than \$400 million in state revenue sharing for rural communities.

- * An estimated \$300 million for construction of rural schools.

- * \$35 million for village electrification projects.

- * About \$7 million to build or upgrade village health clinics.

The list goes on and on.

As we talk about the needs of rural Alaska, my point is without a healthy oil industry, there's absolutely no way the state could have afforded such an investment.

Instead, the financial burden would have rested squarely on the federal government. Certainly, Congress has committed millions to rural Alaska over the years. But without the help of a healthy state economy, pressure would have been intense for even more federal spending.

The bottom line is this: Alaska has benefitted greatly from oil production. But while we've made a lot of progress, there's more work to be done. Sensible oil development in ANWR can keep us headed in the right direction.

When we say "sensible oil development," we mean it. The U.S. Interior Department estimates that less than one-tenth of 1 percent of the refuge would be directly affected -- an area about the size of Washington's Dulles Airport.

Due to new drilling techniques, a 1970s-era, 65-acre production drillsite requires less than nine acres today. By comparison, if the 5,000-acre Prudhoe Bay development were launched tomorrow, its size would be reduced by 60 percent because of new technology.

Opening the Arctic Refuge to responsible development is contingent on a change in Alaska's unique relationship with the federal government. At the time of Statehood, the federal government recognized Alaska's great distances, our remoteness and our lack of basic services that most other Americans take for granted.

As a result, Alaska was granted a bigger slice of the revenue pie from development on federal land within our state. We were given a 90-10 split of mineral royalties on federal lands in Alaska.

A change in that relationship requires an amendment to the Statehood Act. And that in turn requires state concurrence, which is possible in only one of two ways: enactment of a bill by the Alaska Legislature or approval by a vote of Alaskans.

There have been inaccurate news reports on this subject lately, so I want to be clear about the State of Alaska's position. Based on the judgment of Alaska's congressional delegation, I agree that in order to gain federal authorization for oil leasing in the Arctic Refuge, the State of Alaska supports an amendment to our Statehood entitlement from 90/10 to 50/50 for this development only.

It would be morally and ethically wrong for Alaska to come to Congress, agree to a 50-50 split of ANWR proceeds, then turn around later and sue the federal government for a greater share. I'll do everything in my power to make sure that doesn't happen.

While I'm on the subject, let me point out an irony in this whole ANWR debate. Current sentiments in Congress are to decentralize control, to assume that the best decisions about people's lives are made at the level of government closest to the people. This is certainly true when it comes to social services and the congressional desire for block grants.

But why are some so intent on local decision-making when it comes to the delivery of social services, yet oppose it when it comes to economic development?

Let me explain that a different way: In this era of budget cutting, government shouldn't just walk away from rural Alaska and say, "You're on your own. Time to be self-reliant." Government needs to make sure the proper tools are in place as funding is gradually reduced.

Fact is, any discussion of continued progress in rural Alaska must -- MUST -- include talk of a healthy oil industry. That's why the Alaska Federation of Natives, after long debate, voted last month to support oil exploration in the Arctic Refuge.

This was not a vote taken lightly. Dominating the hours-long debate was the special relationship Alaska Native people have to their land and to the wildlife that inhabit it. That relationship, of course, centers on subsistence.

Protecting the traditional subsistence way of life is a top priority of my administration. Others have tried to resolve the long-running dispute over subsistence hunting and fishing rights. The Legislature in recent years has refused to allow Alaskans to vote on this issue.

It's time to move forward. I believe there are two consensus points on which any state subsistence policy must be based. First, subsistence use shall be the priority for fish and game. Second, we need unified management of our resources.

We're working right now on concepts that will achieve my goals: A constitutional preference for subsistence use -- and a unified state management system that respects this priority and accommodates local knowledge and concerns.

There's a special relationship between Congress and the Alaska Native community on oversight issues, and we don't want to jeopardize that relationship. But amendments to ANILCA -- the Alaska National Interest Lands Conservation Act of 1980 -- may be a necessary part of any lasting subsistence solution. So will amendments to state statutes and the state constitution.

Many of the recommendations of the Alaska Natives Commission report, including the importance of preserving the subsistence way of life, won't be achieved without a steady, stable source of revenue. All of Alaska will suffer as oil production tails off. Rural Alaska is likely to suffer the most.

Here's just one example -- improvements in rural sanitation. I've said that we should put the honey bucket in the museum within 10 years. I'm absolutely committed to that goal. Alaska Natives aren't second-class citizens and they shouldn't have to live in Third World conditions. Yet right now, people in nearly half of Alaska's villages still use plastic buckets for toilets or pit privies for restrooms.

It will cost money to change that -- as much as \$1 billion more to give all Alaskans the same safe water and sewer facilities that other Americans take for granted. This year alone, 45 village sanitation projects are under construction.

As you listen to other people talk today about the needs of rural Alaska, please keep one thing in mind. The call for self-reliance in the villages is from the heart. It comes from the people who live there.

It's a call I fully support. To end the long cycle of government dependence, village Alaskans must assume more responsibility. It's our role -- yours and mine -- to help lay the groundwork for that self-reliance.

By creating decent jobs.

By providing good schools and modern sewer and water facilities.

By making sure basic health services are in place.

But here's the reality. None of that comes cheaply. That's why I think it makes sense to talk about responsible ANWR development in the context of today's hearing.

The healthier Alaska's overall economy remains, the healthier rural Alaska will become.

Thank you.

SENATE COMMITTEE ON ENERGY & NATURAL RESOURCES
Frank H. Murkowski, AK. Chairman

SENATE COMMITTEE ON INDIAN AFFAIRS
John McCain, AK. Chairman
Daniel Inouye, Vice Chr.

HOUSE COMMITTEE ON RESOURCES
Don Young, Chairman

November 16, 1995
 Washington DC

Mr. Chairmen of the Committees, Ladies and Gentlemen:

I am Mary Jane Fate, Co-Chair of the Alaska Natives Commission. I am Athabaskan Indian and I was raised in traditional Athabaskan ways; Muskrat camps around the Lakes during the Spring time; traplines during the winter and fishcamp during the summer and fall.

The Joint Federal-State commission on Policies and Program affecting Alaska Natives (hereafter referred to as the Alaska Natives Commission) was formed by Congress August 18, 1990 through Public Law 101-379. The Commission's undertaking was jointly funded by the federal government and the State of Alaska. The Commission included members appointed by the President of the United States and by the Governor of Alaska in early 1992. There were fourteen commissioners of which three are here today:

Co-Chair Perry R. Eaton
 John Binkley
 Frank Pagano
 John W. Schaeffer, Jr.
 Father James A. Sabesta
 Morris Thompson
 Frances E. Hamilton

Co-Chair Mary Jane Fate
 Edgar Paul Boyko
 Father Norman Elliott
 Beverly Masek
 Martin B. Moore
 Walter Soboleff
 Sam Towarak

Frances E. Hamilton served on the Commission until her death September 27, 1992.

We also had a number of ex-officio members, including representatives of the United States Senate and House of Representatives and also members of the Alaska State Senate and House of Representatives. Like you, we commissioners were a very diverse group and we experienced our share of differences. The fact that we were not all alike was one of our most important strengths.

On behalf of the Alaska Natives Commission, I convey our heartfelt thanks and sincere gratitude to each and every one of you. We especially thank individual Alaska Natives who came forward telling us what they wanted more than anything else. The testimonies came to some 2500 pages of transcripts. The Commission

listened and the resulting options are before this Committee today. In a short eighteen month period the final report was on your desks and that final report is our testimony.

A staff was hired and five task forces were selected to gather information on health, education, social/cultural, economics and governance issues. The task force members were volunteers. The Commission held nine regional public hearings and two statewide public hearings. Our goal was to implement the intent of the law in order to formulate and then finalize a credible report of the highest quality.

This Commission provided Alaska Natives and those entities who are involved with related programs an opportunity to make a positive impact on the individual Alaska Native.

HIGHLIGHTS OF SEVERAL RECOMMENDATIONS:

HEALTH: The need for continuing health education including Community Health Aides. Primary quality health delivery is still a problem in the isolated setting of rural Alaskan communities. Water and sewer needs are still a problem in many Alaska villages. Contracting of health services will help.

EDUCATION: The need for local control of education and more parental involvement is necessary. Education is still lagging behind for the native people in Alaska. The primary educational level is still not preparing children for secondary and college level education.

ECONOMICS: It became very clear there is a need for jobs and a means for creating new revenue.

We heard over and over the need to generate new money and heard from success stories, such as from the NANA region where a large mine provides all the values of a native culture and yet is profitable. We too, can do the same if given the opportunity in the development of oil and gas in the coastal plain areas, such as the Alaska National Wildlife Refuge.

Cottage industries is one way to help the economic future. Many restrictions and regulations make it difficult if not impossible, to pursue cottage industries. Bartering items which are considered subsistence products are also regulated. Potential cash crops such as wood products, fur, smoked fish and dried meats are impacted by either environmental or food and drug regulations. Nobody ever got sick from eating dried salted smoked salmon.

Historically, the Alaska Native people are a people of high standards, strong, proud, trusting and giving. They were hard workers. Today the paternalistic attitude has trained many of our people lives to be on the government dole. The restrictions and regulations make it very difficult to work and prosper from their

own land and environment. Some bright spots do exist in retraining our Alaska Natives to occupy positions in the new Alaskan economies, such as oil, mining, transportation, and etc.

Today we find ourselves in a crisis situation. The outrageous school dropout rates, high unemployment, hopelessness, drug and alcohol abuse and other tragic and sad endings, such as the highest rates of suicides, accidents, violent acts and deaths. What we learned at the hearings was that 'time was running out'.

At the inaugural meeting of the Commission, Senator Daniel Inouye stated "I don't want just a report on the conditions, I want your recommendations." At that time you vowed that Congress will give such recommendations serious considerations. We took heart in your statements.

Senator Ted Stevens "praised the Commission as a genuine attempt with the participation of Native Alaskans to sort out the problems created by federal policies."

Senator Frank Murkowski added, "the Commission needs to take a fresh look at problems to try to fashion solutions that will work for the timely benefit of Alaska Natives."

Congressman Don Young also is aware of the dire needs of the Alaska Natives and proclaimed his support for vast changes.

Today's hearing on the Alaska Natives Commission is very significant to the Alaska Native people. It represents a collective communique from Alaska Natives to the United States Congress. They made it clear to the Commission that they would not stand for a sanitized report. Many of those recommendations are completely contrary to the way 'it use to be'. The government can no longer maintain the old status quo or ignore Alaska Native needs. We hope that this report makes it clear that our people want more involvement in their lives, less government and more independence. To sum it up, 'time has already run out', for in the short life of this commission, approximately 1300 Alaska Natives have perished, and of those deaths, too many were youths and almost all were non-accidental or unnatural.

There are three volumes of the final report. Volume I was prepared by the Commission staff for the purpose of providing an overview and summary of the Commission's substantial work product compiled through hearings, research and deliberations carried out since July of 1993. Mike Irwin, Executive Director, is editor and principal author. Other writing credits for this and subsequent volumes go to Edward Deaux, Ph.D., Bart Garber, William Hanable, George Irwin, A.J. McClanahan and Harold Napoleon.

Lastly, on behalf of the Alaska Native Commission, again thank you. I am available for any questions or comments.

Mary Jane Fata, Co-Chair of ALASKA NATIVES COMMISSION

Mary Jane Fata

TESTIMONY
CHANCELLOR EDWARD LEE GORSUCH
ALASKA FEDERATION OF NATIVES

Mr. Chairman and Members of the Joint U. S. House and Senate Committee:

I am Lee Gorsuch, the Chancellor of the University of Alaska Anchorage. I am pleased to have the opportunity to address you on an issue of importance, not only to Alaska Natives but also to the state of Alaska and the United States of America. I will focus my remarks on the progress, problems, and prospects confronting Alaska Natives and the implications for the federal government's continuing relationship with Alaska Native people.

I first moved to Alaska on the eve of the enactment of the Alaska Native Claims Settlement Act. This historic, federal legislation was designed to address the long postponed aboriginal land claims pressed by the Alaska Native people with the federal government.

The terms of the Settlement Act conveyed to Alaska Native people some 44 million acres in land and disbursed \$962.5 million, paid out over what was anticipated to be an 11-year period, half of which would be paid by the state of Alaska. All the benefits are held by Alaska Natives enrolled as shareholders of profit making corporations registered under Alaska statutes. Section 2C of the Settlement Act called for an examination of the federal government's special relationship with the Alaska Native people and directed the Secretary of the Interior to report his findings to the Congress.

I represented in 1972 a private economic consulting firm that was selected to perform the study for the Department of the Interior and I served as the study manager. In the course of our examination we learned the federal government had a long standing and pervasive relationship with Alaska Native people, closely paralleling the relationship the federal government has with other Native American tribes. Not unlike other tribal relationships, the Alaska Native community depended upon the federal government for the provision of many essential health, welfare, and education related services. We found that although the terms of the Settlement Act were, in historic terms, financially very large, the net present value of the cash portion of the Settlement Act was approximately equal to the annual flow of federal funds disbursed by various federal agencies on behalf of Alaska Native people.

Any presumption that the Settlement Act would displace federal programs and services was financially infeasible given the magnitude of the financial value of the federal government services provided Alaska Natives. To illustrate this finding, the approximate net present value of the Settlement Act, because of the scheduled disbursement over an 11-year period, was less than \$300 million. A large university endowment would have yielded an average 4 percent annual real income stream over this same time period. Thus, the net present value of the cash portion of the Settlement Act with a similar return would have yielded approximately \$12 million a year. Had the settlement cash value been annuitized and earnings disbursed as a dividend to approximately 75,000 eligible shareholders, a check of approximately \$180 per shareholder would have been paid, equal to one-twentieth the value of federal services provided. While the 44 million acres of land also had and continues to

have significant economic values, nonetheless, the annuitized overall cash value of the Native Claims Settlement Act was relatively small compared to the annual flow of federal dollars expended on Native behalf. To a large extent the Congress has continued to appropriate funds to support federal programs for the benefit of Alaska Natives as it did prior to the enactment of the Settlement Act, presumably in part based on this financial reality.

The discovery of oil on Alaska's North Slope at Prudhoe Bay and the commenced flow of oil through the trans-Alaska oil pipeline in the late 1970s and early 1980s flooded the state treasury with significant economic rents. The state budget jumped from approximately \$1 billion to \$4 billion in the space of just a few years. This dramatic increase in state revenues not only prompted a large population influx into the state of Alaska, but it also enabled the state of Alaska to begin to provide services to its citizenry, including Alaska Natives, which it heretofore had been financially unable to provide. For example, an expensive program to build high schools in small villages throughout Alaska represented one of the first major sources of public expenditures. Where previously the only high school education options available to rural Alaskan Natives had been through regional or out of state boarding programs, the state now provided a village based high school.

Thus, in financial terms both the federal relationship with the Alaska Native community and the state provision of services far overshadowed the financial impact of the Alaska Native Claims Settlement Act on the lives of the average Alaska Native. Without continuing federal and state governmental support there is little likelihood that the Native corporations

themselves could make up the difference in providing comparable services or cash values to their constituent shareholders. Federal and state services will continue to play a vital and determining role in the long-term welfare of Alaska Native people.

This is not to say that the Native Claims Settlement Act has not had a very significant and pervasive impact on the general welfare of the Alaska Native community and on the economy of the state of Alaska. In fact, several of the Alaska Native corporations now stand among the state's largest and most successful corporations and are a major source of employment, not simply for Alaska Natives but for citizens of the state of Alaska as well. Success among the Alaska Native corporations is by no means even and many of the corporations have experienced significant financial difficulties. Indeed, were it not for federal provisions authorizing the sale of the net operating losses associated with the delayed conveyances of land titles to Alaska Native corporations, several of the corporations, I believe, would have faced early bankruptcy.

Significant progress in the general welfare of the Alaska Native community has occurred over the past 25 years since the enactment of the Alaska Native Claims Settlement Act. Much of this progress is attributable to the continuing provision of the federal programs and services as well as the dramatic expansion of the state programs and services. Private business activities initiated by the Settlement Act's Alaska Native corporations has been, with significant regional variances, an important augmentation of the public sector. Over the past two decades the size of the Alaska Native population has continued to grow

significantly, both in rural and urban areas. The provision of public services has expanded into areas that previously were not served or were under served. The general quality of housing has increased significantly. Although unemployment and poverty persist at disproportionate rates in most rural areas, Alaska Native incomes have increased. Perhaps the greatest progress has been in providing secondary educational opportunities throughout the state of Alaska. On the physical health front, Alaska Native life expectancy continues to increase and infant mortality to decline. There is indeed much that the Native people, the state of Alaska, and the U.S. government can look to with pride on the significant social and economic progress made.

Notwithstanding this progress, significant entrenched problems persist within the Native community and throughout much of Alaska. The economic development of much of rural Alaska is still heavily dependent on the public sector wherein lie most of the employment opportunities. Opportunities for economic development tend to be based around large deposits of natural resources located in close proximity to transportation or near coastal areas. Coastal Native communities have recently benefited from community development quotas in which small percentages of commercial fish allocations are set aside for coastal community groups. While summer tourism and the selling of Native arts and crafts are very important sources of supplemental income, they remain, nonetheless, supplemental in character. Absent a sound economic base, the prospects for sustained improvement in the economic welfare or the diversification of the sources of income in much of rural Alaska are

severely constrained and highlight the importance of natural resource development within their regions.

While significant progress has been made in providing secondary educational opportunities throughout rural Alaska and high school graduation rates for Alaska Native youth have increased significantly over the past 20 years, the actual educational attainment, as measured by various standardized test scores, reveals that significant improvement needs to be made if rural students are to be able to achieve the same level of mastery as their urban non-Native counterparts. This is a particularly important issue as the labor force increasingly requires a highly educated, technologically sophisticated worker.

A third persisting problem is the legal entanglements associated with the Alaska Native community's priority in the harvesting of the subsistence resources in and around the various villages and within rural areas of the state. Many committee members may be aware that subsistence fishing and hunting continues to be an important part of the village economy. Notwithstanding some economic progress and educational advancements, subsistence is an integral part of the culture and lifestyle for the overwhelming majority of villages of Alaska. The state of Alaska has constitutional difficulties in accommodating the rural preference provisions included in the Alaska National Interest Lands Conservation Act as authorized by Congress. The state's inability to reach this accommodation is causing a significant loss of trust and confidence among many Alaska Native communities. They fear a loss of this important mainstay of their already precarious village economies.

Finally, while significant improvements in health have undeniably occurred throughout Alaska in both rural and urban areas, very serious social and behavioral problems persist. Perhaps the most dramatic are those related with alcohol and alcohol abuse, particularly as it affects young Native men. I am sure many of you have seen statistical reports indicating the alarmingly high rates of suicide among young Native men. Confronted with the dramatic cultural changes occurring in their villages, the limited economic opportunities they see for themselves to become providers, and their sense of displacement by their young female counterparts who do find continuity in their respective roles as mother, household manager, and office worker, they take their own lives out of despair and/or absence of hope.

This high rate of suicide among young Native males is a particularly distressing indicator for it reveals not only a loss of the hope but also a low self esteem for potentially half of the future leadership of the Native community. The loss of young Native men directly undermines potential Native families, villages, and cultures. Furthermore, the successful suicides are relatively small compared to the attempted suicides and to the personal abuse many young men subject themselves to, and tragically, to the abuse they may, under the influence of alcohol, inflict upon their relatives and loved ones. The very real problems of inadequate sanitation systems throughout many villages in Alaska is also a significant problem undermining important dimensions of public health. But even the absence of these everyday basic services pale in their comparisons to the more troubling developments among the Native youth and their deep sense of despair.

Despite these serious persistent problems, there are a number of promising prospects to cope with these problems and opportunities to build on the progress made. The theme of the Alaska Natives' Commission report, "healing, harmony, and hope," reveal that the Native community itself has elected to focus on the spiritual and cultural dimensions of these problems. They recognize and feel the loss of their social and cultural integrity and are committing themselves to a plan of empowerment and cultural integrity as focal points of their initiatives. Expanding opportunities for Alaska Native villages to share with state and federal entities a concurrent jurisdiction as Native groups on a variety of social jurisdictional issues could be an important advancement in this concept of empowerment. Similarly, sharing in the management responsibilities of various subsistence and natural resources could also be empowering.

A second area, and one that I personally have a great deal of interest in, is in improving the education of Alaska Natives. The research is fairly clear that the early educational interventions are among the most successful. Therefore, I encourage the expansion of early infant and early childhood education programs in Alaska Native communities. These programs can be a vital augmentation to regular K-12 programs.

At the University of Alaska large numbers of our Alaska Native students come out of high school interested in pursuing a post-secondary education but are under prepared to take on college level work. Despite summer orientation programs in which students are introduced to college life, large numbers of high school students from rural schools (as well as some

from the urban schools) need significant pre-college schooling. These students would benefit from a thirteenth year of public schooling during which these deficiencies could be remediated. An additional year of formal school training prior to undertaking college level course work would provide students the opportunity to prepare themselves to take full advantage of the educational opportunities at the post-secondary level but without incurring substantial debt in order to do so. Far too many students are incurring substantial debt taking essentially pre-college courses.

A well educated and trained adult population is, in my view, the single, most successful, long-term strategy that will advance the economic welfare of any group of people or country. I strongly encourage the committee to consider supplemental education programs as a promising source of public intervention to strengthen and empower Alaska Natives.

Finally, a third area of prospective benefit to the long-term welfare of the Alaska Native people is full recognition of the Alaska Native cultures themselves. The importance of continued access to the subsistence resources on which they rely, the recognition of their cultural heritage and the languages they speak, the authority to participate in the adjudication of disputes, and the formulation of rules of social conduct, are all measures that would advance the Alaska Natives' Commission call for an empowerment of Native people and the restoration of the integrity their rich cultures deserve.

Mr. Chairman, I thank you for this opportunity to present my views. I would be pleased to respond to questions you or any committee member may have or to provide further documentation in support of the observations I have made in these abbreviated remarks. I commend you and the committee for exercising this oversight of the federal government's special relationships with its Native American people.

Testimony of Harold Napoleon before the joint Congressional Oversight Hearing on the Findings of the Alaska Natives Commission; November 16, 1995; Washington DC

Congressman Young, Senator Murkowski, Senator McCain and honorable members of the Committee; For the record, my name is Harold Napoleon, a Yupiq Eskimo from the Bering Sea village of Hooper Bay. I am testifying today in my capacity as coordinator for the Alaska Native Reawakening Project, an AFN initiative designed by Alaska Natives to bring about a social/cultural renewal. It is a privilege and an honor to be able to speak to you today.

.....

The period from 1900 to 1960 was a time of great change for Alaska's Native people. The catalysts for this change came from the outside: disease, christianization, assimilation, the introduction of western technology, and the transition from a subsistence economy to one partly based on cash. It was a period of steady encroachment by non-Natives, a time of tightening federal control over lands and resources once used exclusively by Alaska Natives.

The agent of change with the greatest impact was disease, the most cataclysmic being the influenza epidemics of 1900 and 1918 when 6 out of every 10 Alaska Natives died and many small villages ceased to exist. Lost to these natural disasters were leaders, medicine men, artists, historians; the human bonds which had kept their people together for thousands of years.

In that same period of time, the campaign by mainline churches and the US government to Christianize and assimilate Alaska Natives intensified. Under the leadership of the Rev. Sheldon Jackson, who considered Alaska Natives an almost 'extinct' race of "barbarians and savages" who lived near the "bottom of the scale of human existence," the American Federation of Churches, in 1880, had divided Alaska Native tribes amongst themselves so as to prevent undue competition in the harvesting of new souls for their churches.

Initially unsuccessful, the churches effected wholesale "conversions" in the wake of the epidemics of 1900 and 1918 when the Native's faith in their spiritual belief systems wavered. Resistance to Christianity crumbled in the face of mass death, and with it all that had anchored Alaska Native existence for thousands of years.

In the village, the surviving culture-bearers, the medicine men, having failed to affect a cure for the sickness, saw their influence waning. Many became objects of ridicule, and were persecuted by the missionaries and school teachers till they receded in silence into history. Others became Christian converts and were instrumental in the mass conversion of their people.

Thousands of children had been orphaned by the epidemics, and of these, hundreds ended up in government-funded, church-run orphanages where the ties between them and their cultures were severed. In time, the children and grandchildren of these orphans and other survivors would be taken from their families and sent thousands of miles away to schools as far away as Oklahoma, New Mexico, and Pennsylvania.

The stated plan of the government for these generations of Alaska Natives was to 'cure them' of their 'improvident habits; to make white men of them; and to discourage them from returning to the village.

In many villages, the missionary and the government school teachers filled the vacuum of leadership left by mass death and the departure of the medicine men. Taking control, they ruled by decree, ordering a halt to cultural activities which they considered demonic, and mandating children's attendance in school where the process of assimilation became institutionalized.

Weakened and demoralized, the survivors did not resist but silently acceded to the wishes of the missionaries and school teachers. Indicative of their frame of mind was their inaction when some school teachers washed the mouths of their children for speaking their mother tongue; did nothing even when their children were shamed for being who they were.

Powerless to control the scope or the pace of change Alaska Natives became bystanders as non-Natives from the United States and around the world, 'settled' and 'developed' their homelands, now the Territory of Alaska. Tribes lost ancestral lands to

a distant government which did not bother to inform, much less consult with them, even when it "withdrew" the very lands from under their feet.

Till the 1960's, Alaska Natives were, for the most part, passive participants as others from distant lands changed their lives forever; things were done to them, things were done for them, things were decided for them. By 1960, all that remained of their old world was the land they lived on, some of their languages, some of their songs and dances, and the fish and game which fed them. The rest of their old worlds; their independence, their cultures, social institutions, spiritual beliefs, their hard earned knowledge, had faded into history.

No longer anchored by their cultures and social institutions many villages, families, and individuals became lost, and like driftwood were carried by the currents of change further and further away from themselves.

The guilt and shame born of trauma and mass death, aggravated by religious and cultural persecution, poverty and dependency, would turn to silent self-condemnation; powerlessness and failure in the new world, to frustration, anger, and resentment. And being removed further and further; in time, distance, and understanding from the source of their demise, they would come to blame themselves for their condition, and turn on themselves and those closest to them.

In a period of sixty years, Alaska Natives had become a subject people, aliens in their own lands. By 1960, social, cultural, and economic conditions for many Native tribes had deteriorated; just staying alive took most of their time with little left for addressing the dangers inherent in their decaying societies

Respite finally came with President Johnson's declaration of war on poverty when the pressure just to stay alive was relieved by food stamps and other programs for the poor. For the first time, Alaska Natives were given a moment to reflect. What came to them was devastating; like hollowed out logs, they found themselves still standing upright on the ground, but with their roots severed, they had no life left; spiritually, they were numb.

Since then, Alaska Natives have been experiencing an epidemic whose deadly symptoms include alcohol abuse, violence, and untimely death. The first Natives to show these symptoms were today's elders, the children of the survivors of the

epidemics who began self-medicating with alcohol. Men who had been leaders of their villages, and who had never drunk before, took to the bottle. By 1970 plane loads of alcohol were being freighted into many villages, and a new round of suffering and trauma began; but this time, it was self-inflicted.

The exact number of lives lost in the last 30 years of social and cultural turmoil is unknown; but in a ten year period from the early 1980's to 1991, almost 2,000 Alaska Natives died violent deaths. Natives suffer the highest rates of homicide and suicide in the nation; they also lead the nation in incidences of domestic violence, sexual abuse, and a litany of other social ills.

While it is possible to quantify the fatalities in this present epidemic, the imprisoned, and the numbers of unemployed, it is impossible to gauge the long term effects this trauma is having on the will of the people, especially the children. Every village, every family, has been affected.

Some statistics from the Institute of Social Economic Research:

- ~ Children are not learning in school: 60% of Native students entering urban Alaska high schools do not graduate; 12-15% of Native students attending village high schools drop out; 30% of elementary students, 40% of High school students attending village schools perform below grade level; Native ACT scores are 40% lower than non-Native scores
- ~ Rates for FAS among Natives is twice the national average
- ~ In 1988 30% of all child abuse/neglect/injury cases reported to the state Division of Family and Youth Services were Alaska Native
- ~ In 1988, 1 of every 11 Native children recieved child protection services
- ~ Between 1964-1989 Native suicide rate increased 500%
- ~ 1980-1989, every ten days an Alaska Native committed suicide
- ~ 1/2 of all Native suicides are youth between the ages of 15-24
- ~ 86% if suicides are Alaska Native males
- ~ 59% of Alaska's violent-crime inmates are Alaska Natives, 99% are there for crimes committed under the influence of alcohol
- ~ In 1992 about 27% of all Native males, ages 14-17 were referred to the state juvenile intake system; one of every eight Native males, ages 14-17 spent time in juvenile detention;
- ~ Birth rate to Native girls, ages 15-19 is 2.5 times the national average

Statistics show that the age of chemical and inhalant abusers is falling, as is the age of suicides. There has been a sharp rise in teenage pregnancies resulting in a new generation of fatherless children. And like refugees fleeing a war zone or famine, many young Alaska Native families are moving away from the village to the cities. A growing number of women are leaving their husbands in the village and moving with their children to cities like Anchorage.

Unfortunately, many of these Native migrants to Alaska's larger communities do not find safe havens, but are plunged into new levels of poverty, alcohol abuse, violence, discrimination, and all too often, death by homicide, alcoholism, and exposure. Their children do not fare better there either; 60% of Alaska Native youth drop of high schools in the municipality of Anchorage alone.

The present epidemic is symptomatic of a people who have lost their cultures, who have lost touch with each other, and whose social institutions have collapsed. Caught in a period of rapid transition, untethered to either their Native cultures or the Anglo/Saxon one, many have become floaters, literally lost between two worlds. The victims are the ones who have fallen through the cracks where there are no cultural or social 'safety nets' in place to break their fall. Still others have become entangled in the 'safety nets' of anti-poverty programs and have become prisoners of dependency.

Alaska Natives, because of the rapidity of the changes they have had to live through, have not yet made the necessary adjustments to the new realities with which they are faced. Well-meaning churches and educational systems have tried to 'remake' them into white, anglo/saxon Americans, and in this way have tried to make them 'fit;' but Natives being natives, have been unable to accomplish this impossible and ultimately self-destructive feat.

In order to see a reversal of the present epidemic of alcohol abuse and related violence, there has to be a concerted effort on the part of government and the Alaska Native community to address the cultural, social, psychological and economic problems that are the root causes of the abuse.

Unless necessary reforms are made by the Native community and government the already tragic situation will only continue to deteriorate. A case in point: unless

things change, it is projected by the University of Alaska that out of 100 15 year old Native boys alive today, 22 will have died violent deaths before the age of 60.

Agreeing fully with the Natives Commission, AFN in October, 1994, sponsored a conference for village leaders entitled "Taking Community Responsibility." The conference was organized, not to talk about problems, but to identify concrete steps village governments can take to end the needless suffering and dying in their communities.

Although the impact of such a meeting was not readily apparent, it did signal a change of historic proportions; for the first time, Alaska Natives had looked to themselves for solutions. In other words, they had assumed the responsibility of healing and rebuilding their communities, not the BIA, not the CIA, not the SFTPCA, nor even the nearest state social worker.

The other AFN initiative, the Alaska Native Reawakening Project, has taken years to develop and has the support of the medical community. It addresses the untreated spiritual and psychological wounds left by the trauma of mass death, religious persecution, forced acculturation, bigotry, discrimination, and poverty. But while this initiative offers the best avenue for healing it is going to take many years to complete because of the scarcity of monetary resources available to the Native Community.

I will close by echoing the writers of the Natives Commission Report; that unless a comprehensive approach dealing with the problems of Alaska Natives by government and Natives alike is instituted, the problems facing us can only get worse.

TESTIMONY OF

JULIE KITKA, PRESIDENT, ALASKA FEDERATION OF NATIVES

NOVEMBER 16, 1995 - BEFORE THE FOLLOWING COMMITTEES:

United States House Resources Committee

United States Senate and Natural Resources Committee

United States Senate Indian Affairs Committee

ON THE

ALASKA NATIVES COMMISSION REPORT and

SECTION 29 AGREEMENT BETWEEN THE DEPARTMENT OF THE INTERIOR AND
THE ALYESKA PIPELINE SERVICE COMPANY

For the record, my name is Julie Kitka, and I am testifying today in my capacity as President of the Alaska Federation of Natives.

The three-volume Report of the Alaska Natives Commission, published in May of 1994, is a critically important document in the history of modern Alaska. To my knowledge, this is the first time that a major public study of Native issues has been written by Natives, for Natives, to Natives. If its central message is taken to heart by my own people, as well as by the state and federal governments, the Report will have a significant effect on our social well-being, our economic condition and our political status.

As you, the three Chairmen and Members know, the Alaska Natives Commission began to take shape in 1989, when AFN, in cooperation with the University of Alaska's Institute for Social and Economic Research, published a landmark "Report on the Status of Alaska Natives: A Call for Action." That study was one of several publications of the period - including the Anchorage Daily News Pulitzer Prize-winning series, "A People in Peril" - which dealt with the deteriorating condition of Native families and communities.

But the AFN Report was the first to attempt a comprehensive description of what has been happening to Native people, covering a wide range of socio-economic data in just 78 pages. It concluded that, despite significant improvements in physical health, educational opportunities, standards of living,

and access to government services in recent years, most Native villages are caught in a pervasive social and economic crisis - as revealed by abnormally high statistics of personal and community breakdown. The cultural changes that we have experienced in this century have been so rapid and so profound that many of our people have been overwhelmed, isolated and lost. Our opportunities for advancement in the mainstream culture are severely limited, and most Natives remain poor by any American standard. And, on top of all the cultural and economic problems, there is the undeniable fact that a significant minority of our people is being systematically destroyed by alcohol and other drugs - and by the violent behavior that chemical abuse unleashes within Native families.

The AFN Report caught the attention of the Congress. When Native leaders were asked for follow-up recommendations by our Congressional Delegation and by Senator Inouye, then Chairman of the Senate Committee on Indian Affairs, we pointed out that the AFN Report had merely scratched the surface. No comprehensive study of Alaska Natives had been conducted by the United States in over 20 years, and we felt that an in-depth policy analysis should be done, providing clear recommendations to the Congress, the President, the Alaska Legislature, the Governor and the Native community.

On July 20, 1989, Senator Murkowski and Congressman Young introduced a bill creating a public commission of 14 members, half to be designated by the President and half by the Governor, jointly funded by the state and federal

governments. The bill passed both houses of Congress and was signed into law by President Bush on August 18, 1990. White House and gubernatorial nominations took up another 18 months, but at last the Alaska Natives Commission held its inaugural meeting in Washington, D.C. in February, 1992.

During the next 27 months this group worked tirelessly, and its debates over policy recommendations were passionate and complex. What emerged from the process was the three-volume Report, which was formally conveyed to the Congress, the President, the Alaska Legislature and the Governor. I call your attention to Volume I, which provides an overview of the findings and recommendations, by seven categories of issues: social problems and services, employment and income, law enforcement and justice, education, health, subsistence and tribal governance. Volume II presents the full narrative text and data of five major studies conducted by the Commission's task forces: health, social and cultural problems, economic development, education and community self-determination. Finally, Volume III offers policy analyses of two critical issues now confronting us all: subsistence hunting and fishing and tribal government in the villages.

I spoke earlier of the Report's central theme, which is so important for the reader to grasp. One can spend weeks analyzing the statistics and policy recommendations; but what really matters is the Commission's overall picture of modern Native life and the historical forces that have produced it. Please listen to the stark language of the Report:

"Whatever words are chosen to depict the situation of Alaska's Native people, there can be little doubt that an entire population is at risk...of being permanently imprisoned in America's underclass, mired in...physical and spiritual poverty;...of leading lives, generation to generation, characterized by violence, alcohol abuse and cycles of personal and social destruction;...of losing, irretrievably, the cultural strengths...essential for the building of a new and workable social and economic order;...of permanently losing the capacity to self-govern,...to make considered and appropriate decisions about how life in Native communities should be lived."

But why? How is it that Native people, non-Native Alaskans and a host of federal and state institutions - with all of the laws, and programs, and effort, and money that have been put into bush Alaska during the past few decades - have come to such a tragic result?

The great virtue of the Natives Commission Report is that it has the courage to put its finger on the basic causal factor: **the historical evolution of a self-destructive culture of dependency and powerlessness that is killing our people and destroying our communities.** Everything else comes back to that - all of the drinking, the suicides, the violent crime and incarceration, the educational deficits, the economic stagnation, the psychological depression, the family dysfunctionality, and the breakdown of political control at the community level.

The historical process by which we Native people lost control of, and responsibility for, our own families and communities was a mixture of abdication by us and usurpation by several generations of missionaries, teachers, government officials and other caregivers. Much of it has occurred in the past

quarter-century, during which a flood of non-Native laws, institutions, public works and human service programs has inundated our villages.

Most such "developments" were given to us by distant public decisions, rather than emerging from our own choices about what we needed. Policy makers and agency personnel were so determined to help us as individuals that they ran right over us as communities, using their schools, courts, hospitals and all the other instruments of government to take care of us, spending little time or effort reinforcing our innate capacities to take care of ourselves.

It was all done with the best of intentions - to improve health, to lengthen life expectancy, to relieve suffering, to educate children, to raise standards of living. But the way in which it was done has been a disaster. The net result is that, despite many substantive benefits received, a whole generation of Native people has grown up dependent on public services, subsidies and external control; and it is this culture of non-responsibility and powerlessness that underlies the findings of the Commission.

This Report leads irresistibly to a conclusion that some people are not going to like but that cannot be avoided any longer: **We, as Alaska Natives, allowed this to happen, and so it will stop only when we stop it.** No amount of externally designed laws, professional services or public money will begin to turn around the present crisis until we take back authority and responsibility for our own well-being. **We have to do that as individuals who stop drinking, as**

parents who take charge of our children's health and education, as self-supporting families that take pride in productive labor, and as communities that make humane public decisions for the governance of our own people. The proper role of the state and federal governments is not only to support that effort, but to permit it.

The great task now facing Natives is to change our own self-defeating attitudes and behaviors - at the same time that we are changing the actions of a non-Native public culture which has systematically turned us into some of the most managed people on earth. The central message of the Commission's Report - one in which Natives are talking to Natives - is that the answer rests within us - that we must have the courage to break the culture of dependency and to reassert control and responsibility over our own lives and our own communities.

I need to add a word of caution: It is relatively easy for anyone to talk about such a massive shift of control and accountability; but actually doing it is incredibly difficult - because the people who gave up the power have come to doubt their own ability to exercise it - and because the people who took it, especially because they did so with good intentions, will desperately resist giving it back. But there is no alternative. The condition of our people has come to such a point that the entire relationship must change. If it does not, then the deterioration of Alaska's villages will proceed apace, and Native people will continue to suffer and to die in numbers, and from causes, that constitute a national disgrace.

Because the Report of the Alaska Natives Commission is 444 pages long, because it covers such a wide range of issue categories, and because it contains 34 main policy recommendations and 76 additional recommendations on specific laws and programs, where do we begin any effort to change the present situation? I suggest to the respective Chairmen and Committee Members, a couple of practical ground rules.

First, let us recognize the interconnectedness of the problems analyzed here. We all tend to organize complex issues into abstract categories of discussion - like economics, or health, or justice, or social services, or education - as if these somehow existed in isolation from one another and could be dealt with separately. But real life cannot be divided up that conveniently. The Report, for example, speaks to the interrelationship of culture, economics, education, health, and social pathologies:

"Reversal of the cultural and social decay in which Natives are enmeshed seems impossible without improvement in their economic condition. Individuals who believe themselves doomed to an unending future of economic dependency are in such psychological despair that little energy is left for understanding and valuing their heritage."

BUT: "Improvement in their economic condition seems unlikely without...an educational system that works...Children and young adults who are deprived of self-respect by a culturally alien school system and then sent into society as functional illiterates without marketable skills cannot improve their economic status."

BUT: "An education system that works for Alaska Natives seems out of reach so long as public health problems, family dysfunction, and alcohol and sexual abuse are prevalent. Children suffering from chronic diseases brought on by exposure to raw sewage or Fetal Alcohol Syndrome, children from families in which one or both parents are absent or abusive, and children who must live in communities in which the

society...has failed, are ill-equipped to succeed in school, even if school is reformed to accommodate ways of learning particular to...Native cultures."

In short, no single factor has produced the contemporary Native crisis. It is a composite of interrelated causes; and there is no magic thread one can pull on to unravel the knot. If we are going to have any beneficial effect, we must do several things simultaneously.

A second ground rule we should follow is that, despite these interrelationships, we cannot do everything at once. Given the limits of money and human energy, an effective effort to restore responsibility and authority in the Native community has to start somewhere and go somewhere. It must take hold of a few good ideas and work very hard to implement them, building a track record and a knowledge base on which larger efforts can be planned in the future. Those items on which we do begin must be carefully chosen for their capacity to motivate and their ability to improve the lives of ordinary people.

I recommend that the Native community, the federal government and the State address the central theme of the Natives Commission's Report - ending the culture of dependency - by means of three priority issues:

- reduction of chemical abuse and its social consequences,**
- development of jobs and income for Natives, and**
- devolution of specific governmental functions to villages.**

Messrs. Chairmen, I will first take up the issue of chemical abuse by telling you that alcohol and drugs constitute a public health epidemic which is the greatest

single danger to the survival of Alaska Natives. They are literally destroying our people. The Natives Commission points out that the primary causes of death and illness among contemporary Natives are behavioral and preventable; and the worst of these, by far, is substance abuse. As human beings, we have a moral obligation to stop the dying. Moreover, we recognize that no program of economic development or governmental reform will be accomplished in rural Alaska until people stop drinking and using drugs. All the jobs in the world will produce nothing if individual Natives can't keep them - and no effective village government can be run by people whose own lives are disfigured by addiction and anti-social behavior.

I propose that the Native community, the United States and the State of Alaska join together in making the reduction of chemical abuse a top priority for our limited public resources. I suggest that we admit that we are in a dangerous historical crisis - and that we act accordingly. Such a commitment will require large amounts of public funding - not out of new resources, which will not be forthcoming, but transferred from other areas of the budget which, however desirable, are not as critical. I further propose that the Native community and the state and federal governments evaluate the effectiveness of programs and laws addressing alcohol and drug abuse in village Alaska - and that we have the courage to strengthen inadequate laws and to drop ineffective programs, transferring their funding into efforts that produce results.

Any major public commitment to reduce chemical abuse in bush Alaska must

appeal to two levels of responsibility: the individual and the community. We start with the individual because only the individual can choose between intoxication and sobriety. When an individual stops drinking, he or she invariably comes to that choice alone. The personal responsibility cannot be avoided. But it can be aided. Other people can help that person make that choice and can provide the therapeutic expertise and the personal support to help him or her maintain sobriety. This requires effective programs of prevention and education, crisis intervention, in-patient treatment, counseling and support. Just as the past few decades have produced a professional cadre of village health aides, complete with training and certification, we must now create a village-based profession of counseling for mental health and chemical abuse. In order to be successful, any program of personal and family healing must be designed and operated by the village itself. The money will have to come from elsewhere, whether funded directly to the village or to a village consortium, but the program must belong to the community. To the extent that it is externally planned and bureaucratically controlled, it will fail.

Beyond programmatic intervention, communities have a general responsibility for the safety and well-being of their residents. Therefore, any village which has the political courage to protect its people from alcohol and other drugs must have the legal power to make it stick - and it is the responsibility of the state and federal governments to make such laws available and to help enforce them. The Alaska Native Commission points out the inadequacies of substance

control in most villages and calls for a "broad expansion of regulatory and judicial authority" under the aegis of federal law and tribal councils and courts.

I propose that the Native community and the state and federal governments conduct a thorough review of the effectiveness of substance control procedures in the villages and that laws be enacted which will allow any Native village that so desires to follow a policy of "zero tolerance" toward the importation, sale or possession of alcohol or any illicit drug within its geographical jurisdiction. I urge that this policy allow the villages such measures as personal searches upon entry, confiscation and destruction of contraband substances, felony prosecution and serious punishments for bootlegging or drug dealing, and protective custody of intoxicated persons. If the Alaska Legislature is unable or unwilling to enact and enforce such laws, the United States should exercise its trust obligation toward Native Americans and its powers of Indian liquor control to perform the function. To those who would object that this is a violation of constitutional rights or of state prerogatives in the federal system, I answer that this is a crisis of human lives - of beaten women, sexually abused children and dead men. If you and I are willing to allow such a situation to continue, then it is we who have succumbed to the culture of irresponsibility. **We must stop the dying.**

The second major issue on which I suggest we begin is the creation of job opportunities and cash incomes for a large, unemployed Native work force. Economics is the most fundamental determinant of community well-being. It is not the only factor, but nothing important or permanent can happen without it.

All the sobriety, political control, social services and cultural preservation in the world will not suffice if people cannot provide for their own families through productive labor. It is astounding how well human beings take care of themselves when they have the opportunity; but without a base of self-sustaining economic activity, no place can thrive.

We should begin by admitting that the current employment picture in the remote bush is poor. The cash economies of most villages located north and west of Anchorage remain artificial dependencies of government. The one sector that has always been self-sustaining is subsistence; and it is now under concerted political assault from competing urban resource users. Rural Natives have become consumers in the national economy and need cash income. The few jobs that do exist in the villages tend to be public services that are supported by massive external appropriations and are often held by transient or resident non-Natives. Low levels of education and skills, combined with institutional bias in hiring and supervision, keep most of the Native work force chronically unemployed or underemployed. Many Native families have come to depend on public transfer payments to meet high costs of living. Lack of work, income and self-respect is an important causal factor in the epidemic of social problems afflicting Native families. The massive public spending of the last 30 years, on which much of the rural cash economy depends, is leveling off and about to decline. A large population of Native children and adolescents is now coming up through the schools; and neither their parents, their teachers nor the kids themselves have any clear plans for their economic careers.

It is the sheer size of the employment need that is so ominous for Alaska's future. In 1970, the estimated Native work force of 16 years and older numbered 26,726 people. During the next decade it grew to almost 41,000. By 1990, it had reached nearly 55,000; and by the end of the century it will include more than 75,000 people. That is a lot jobs.

Every governor of Alaska since statehood has come to office promising to develop the rural economy and increase job opportunities, and many of them have worked hard to do so. The combination of enormous distances, high costs of transportation, a sparse population, limited markets, and lack of education and skills are intrinsic limits on what government and the private sector can do. Occasionally, a major resource opportunity - such as Prudhoe Bay and its effect on the North Slope Borough, or the Red Dog mine and its jobs for NANA shareholders - will occur. But in the absence of such sporadic events, what is left to the remote bush is subsistence, tiny commercial fisheries, a few public service jobs, and welfare. This economic reality will be difficult to change, and if we really want to help families take care of themselves, we must get realistic and imaginative.

Here are five practical ideas articulated by the Alaska Natives Commission:

First and foremost, the subsistence economy of the villages must not be eroded by reducing the protections of state or federal law. If the larger political system were ever to pull that plug on the bush, most Native villages would be doomed -

with all the social and economic costs of their gradual deterioration and out-migration falling on the rest of us. Subsistence remains the largest single employer in the villages, accounting for more self-sustaining labor and personal pride than anything else. If what public policy really wants is that Native people take care of themselves, it will move heaven and earth to support village economies of hunting and fishing. As the Natives Commission points out, the impasse between federal and state subsistence laws is not an issue of resource management; it is social policy on a grand scale - and what is at stake in its resolution is the continuing existence of the villages themselves.

Next, we should do everything possible to ensure that those jobs which do exist in the villages are held by local people rather than by imported labor - which is essentially a colonial model. The largest number of cash jobs is in the schools, with other public services also providing many opportunities. Every public agency operating in bush Alaska and every public works construction firm should have a plan for training the local work force and for achieving specific percentages of local hire by specific dates. The institutional goal of the current, imported labor force should be to work itself out of a job. The Natives Commission further recommends that all public services and works be contracted by state and federal agencies to village and regional operators and that every federal agency under P.L. 93-838 have Native hire requirements similar to those in the BIA and IHS.

Let us not kid ourselves about the difficulties we will encounter in shifting rural

Alaska's current employment economy into local hands. It will require great effort and resources in training, human skill development and supervision - and it will be strenuously resisted. But to the extent that public service programs for the villages continue to be staffed by non-Native imports, services will continue to be culturally ineffective, communities will continue to depend on others, and the local work force will continue to sit. There are a lot of public sector jobs out there, full- and part-time, which need to change hands. Instead of dreaming about new developments, we should concentrate on what is there.

Here is another practical idea. The Natives Commission recommends that we learn from and expand the example of the Community Development Quota program. This effort, through which more than 60 Western Alaska villages share in the royalties of the Bering Sea pollock fisheries, is a model for other extractive industries. Through it, the world's economy is sharing a small percent of what it takes out of rural Alaska with the people who live there - and that small portion is creating a lot of benefits, including local employment and training in the villages. Again, we must make more creative use of what presently exists in rural Alaska.

Another model which we should apply to new circumstances is the village firefighting industry. Every year, it enables hundreds of Native people to bring back millions of dollars in wages that have been earned a long way from home. Given climatic changes, firefighting may prove to be a growth sector; and the village crews have become a stable labor base for this "specialty" industry.

In addition to providing good wages for very hard work, firefighting provides personal and community pride.

What this model points up is that our discussion of rural employment is almost always confined to two alternatives: either we have to create thousands of new, full-time jobs right there in the villages, or else Natives are going to have to leave rural Alaska permanently. But there is nothing wrong with a middle-ground option of seasonal, transient group labor outside the village. That, after all, is the model of the Red Dog mine; and it has also powered Alaska's fish processing industries for decades. Moreover, the phenomenon is worldwide: many traditional areas have addressed their own unemployment by developing and exporting technical labor forces in specific industries.

Again, I am urging realism and imagination. We must face the fact that, even with unlimited resources, we could not build a modern, full-time job economy within bush Alaska. To some extent, it is going to be necessary for rural residents to pick up and go to the work, even on a temporary basis. The great tasks in this will be to train personnel in the required skills, to make seasonal work schedules fit subsistence hunting and fishing cycles back home, to organize the complex logistics, and to protect Natives from cheap-labor exploitation.

Finally on the subject of economics, we must not only create employment opportunities, but we must break the corrupting hold of welfare dependency. Such programs as AFDC, for all their good intentions, have supplanted men,

weakened families and undermined the value of work among recipients; and the Natives Commission eloquently catalogues the resulting slide into inertia and depression. Its Report recommends that tribal governments be responsible for designing and operating local "workfare" programs.

Even with significant welfare reform coming out of Washington, D.C., various types of public assistance will continue to support some village residents for limited periods of time. When received by able-bodied members of the adult work force, such transfers are income; they should be earned, not given.

Certain people, due to age or disabling conditions, cannot perform such tasks; and support services, such as skill training and child care, will be required to ensure that the rest can do it. But that leaves a large group of recipients who can be required to work on community improvements and services.

Above all, such programs must be planned and run by the villages themselves. They know better than anyone else what they need; and they have the moral authority to require it. To the extent that workfare is perceived as a bureaucratic requirement imposed on the village by distant laws, the adversarial resentments will make the program a sham. It can work only to the extent that the village is willing to say to one of its own: "You are a member of this community; and you owe this effort to us." To those who might object that such a requirement deprives the recipient of a legal entitlement, my response is that Native societies are founded on relationships, obligations and sharing - and that the worst thing that can happen to any people is to end up in a culture in which

they have nothing but rights.

The third major issue on which we should begin our campaign against the culture of dependency is the devolution of governmental powers and responsibilities to Native communities. One of the most powerful causes of dependency, inertia and deterioration in modern villages has been the systematic displacement of Native cultural authority in law. Once, long ago, law belonged to the Native peoples of Alaska. It came out of them, not to them. But in today's villages, law and government are more often the imposition of someone else's priorities, by someone else's methods. Swept aside by all this beneficent interference, and doubting their own abilities to govern in the modern world, Native people have surrendered governance to alien processes and institutions. We are now the objects of law - the ones to whom it is applied - not the subjects who make and enforce it. So of course it lacks the most critical attribute of any legal system: legitimacy.

This simple fact has been a motive force in the development of the tribal sovereignty movement among Alaska Natives during the past decade. Far from wanting to set up their own nations, the vast majority of Natives would be happy just to make and enforce local laws and customs in an effective manner. Moreover, they are not particularly interested in legislating or adjudicating grave criminal or civil matters, most of which they would leave to state and/or federal authority. What they do care about are those legal decisions that directly touch

their own lives: alcohol control and public safety; children and families; local property disputes; punishment and rehabilitation of community members who have committed offenses. They want to do these things themselves, to put the authority of their own cultures behind government, and to quit depending on outsiders for every public function and choice. That, Messrs. Chairmen, is the one trait that Alaska Natives have in common with every citizen of this republic; and it is why we can understand a lot of what is going on in Congress these days. The tribal governance movement is our attempt to free ourselves from laws and bureaucratic controls which, however well-intended, don't work.

I propose that we proceed to work very hard on a limited number of practical, specific governmental functions which can and should be performed by village people themselves. If in one village, such roles can best be assumed by municipal institutions, fine. If in another, tribal institutions are preferred, so be it. If both can share cooperative roles, so much the better. The point is not the "how; it is the "what."

In this connection, let me list for you several feasible recommendations of the Natives Commission regarding those areas in which public decisions should devolve to village institutions, with the support, training and technical assistance of the state and federal governments:

The first, mentioned already, is control of alcohol and illicit drugs within villages.

I repeat for emphasis: to the extent that state law will not permit municipal entities to enforce a policy of "zero tolerance" because of political or

constitutional impediments, state law should be changed or replaced with federal statutes empowering tribal councils to do so. We must stop the dying.

My second suggestion is domestic relations. Native families must cease being social laboratories for non-Native courts, bureaucracies and private agencies - particularly as regards child welfare interventions, foster care and adoptions. Funding and technical assistance should come from public sources, but the village must take responsibility for its own children. We have to become our own social workers and judges in this most intimate aspect of community life.

Third, the Natives Commission recommends that villages establish dispute resolution bodies - including tribal courts, if desired - to handle a broad variety of local infractions and confrontations. Culturally appropriate mediations and judgments must come from the community's own leadership processes, and they must be honored by other jurisdictions.

Fourth, the State of Alaska should enter into a formal agreement with each tribal council to outline which classes of criminal infractions shall be the domain of the tribal court and which will continue under the State. The State has considerable experience in negotiating ICWA agreements with the tribes. VPSO's should be charged with enforcing tribal ordinances, as well as state laws.

Fifth, I recommend that tribes be made functioning parts of the State's justice and correctional systems. To the extent that prosecution, conviction and punishment are exclusively external functions, the village will continue to resent

them, and they will continue to produce recidivism. Let us not be deterred by the failure of one high-profile case of tribal banishment in Southeast Alaska. That instance did not work; but it was the right way to go. Punishment and rehabilitation by ones own is far more effective than the intervention of alien institutions.

Sixth, I reiterate my earlier recommendation that tribes be empowered by state and federal laws to design and operate "workfare" programs of community service in return for public support payments. As in all the other ideas listed here, our intent should be to inject the community's cultural authority into what is now a nameless, faceless system of foreign requirements which no one in the village respects.

Thank you Messrs. Chairmen for the opportunity to testify. The Alaska Federation of Natives looks forward to working with you to resolve these concerns.

Attachments: Special AFN Convention Resolutions (5)

Alaska Federation of Natives Convention

Special Resolution

- TITLE:** **REGAINING ECONOMIC SELF-SUFFICIENCY**
- WHEREAS:** despite decades of talk about rural economic development, the cash economies of most Native villages remain artificial dependencies of government; and
- WHEREAS:** the one self-sustaining village base is subsistence - a culture and economy now under political assault by non-subsistence user groups and powerful elements of the state government; and
- WHEREAS:** our people have increasingly become consumers of goods and services from the national economy and media culture, requiring cash incomes equal to extraordinary high costs of living in the villages; and
- WHEREAS:** there is a persistent lack of cash employment in all villages, and the few jobs that do exist often end up in the hands of transient or resident non-Natives; and
- WHEREAS:** in such an economic environment, it is natural that many of our people should have come to rely on public welfare for their survival; and
- WHEREAS:** because all people need productive labor and the satisfaction of supporting their families, this widespread dependency on money that is given to us as an entitlement, rather than paid to us for work, is a primary cause of personal breakdown, family erosion and community disorganization; and
- WHEREAS:** many publicly funded projects are contracted to firms that bring in their workforces from outside the community, seriously undermining positive impacts to the local economies; and
- WHEREAS:** state and federal agencies employ people from urban areas to staff positions in rural communities; and
- WHEREAS:** no amount of social services, no program of cultural preservation, and no restructuring of village political institutions will produce stable Native communities **until our people take back power to feed and clothe their families by their own efforts; and**

WHEREAS: we cannot simply wait for future projects to create new jobs in the villages - but must act immediately to convert the principal source of today's cash incomes into healthy activities that benefit individual recipients and the community as a whole;

NOW THEREFORE BE IT RESOLVED that the delegates of the Convention of the Alaska Federation of Natives urge all Native villages and organizations to implement local programs of mandatory "workfare," on needed community improvements and services, for all able-bodied recipients of public transfer payments, additionally providing child care and other support services necessary to project success; and

BE IT FURTHER RESOLVED that the Convention urges appropriate state and federal institutions to enact laws and revise regulations clearing away legal impediments to the implementation of such local requirements and supporting the efforts of all Native communities that have the courage to break the dependency cycle.

BE IT FINALLY RESOLVED that the Convention urges maximization of local hire in our rural communities by requiring all federal and state agencies to negotiate local hire on projects and in programs intended to provide services and facilities in our communities with the appropriate local council.

Projected Increases in Alaska Native Workforce - 1970 to 2000

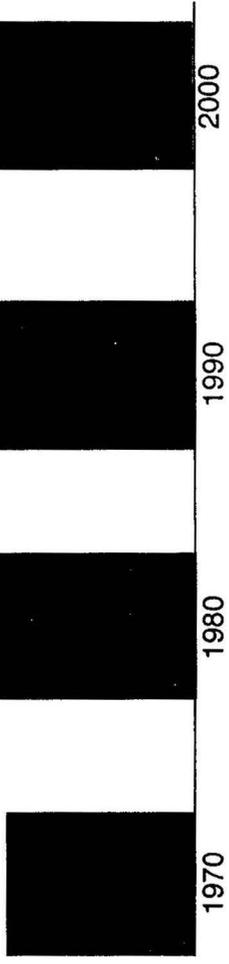
3% growth per year projected since 1990
75,598

For Age Groups 16-yrs. and over

2.9% growth per year since 1980
54,614

4.4% growth per year since 1970
40,956

26,726



Alaska Federation of Natives Convention

Special Resolution

TITLE: **BEGINNING THE REFORM OF FEDERAL LAWS AND PROGRAMS THROUGH CONGRESSIONAL FIELD HEARINGS**

WHEREAS: the Report of the Alaska Natives Commission eloquently points out that we, as Native people, have now come to a point where we must choose: either to take back power and responsibility for our own communities or to witness their continued deterioration:

"The true nature of the sickness which has spread throughout the Native villages is the state of dependency which led to the loss of direction and self-esteem. Everything else is of a secondary nature - merely symptoms of an underlying disease. Programs which are aimed at relieving the symptoms but refuse to relate to the sickness itself are doomed to fail and may make things worse..." and

WHEREAS: the historical process by which we lost power was a mixture of abdication by us and repression of Native rights to sovereignty, self-governance and self-control, and the alienation of our land and resources by several generations of missionaries, teachers, bureaucrats and other caregivers; and

WHEREAS: reasserting our own authority and responsibility will not be easy - because people who give it up doubt their own ability to exercise it - and because people who take it, especially if they do so with good intentions, always resist giving it back; and

WHEREAS: the real error in this massive imposition of non-Native laws and services was not simply its arrogance - but the fact that IT DOES NOT WORK - and it almost seems that the condition of our people has varied inversely with the growth of many programs intended to help them; and

WHEREAS: ending the destruction of our communities requires not only that we take care of ourselves but that an enormous public service industry change its own values and behavior, assuming a different role in order to achieve effective results; and

WHEREAS: real reform of federal policies cannot be accomplished solely from the grassroots - but will require direction, support, and legal authority from the top; and

WHEREAS: it was the United States Congress that created the Alaska Natives Commission in 1991 and that is now the primary recipient of its findings and recommendations; so it is the Congress, as well as to our own people, that we now turn in order to begin the long process of changing public policy in the villages;

NOW THEREFORE BE IT RESOLVED that the delegates of the Convention of the Alaska Federation of Natives **urge the Alaska Congressional delegation and the chairpersons and members of the appropriate committees to join us in a fundamental reform of federal statutes, services and operating procedures - the goal of which is to reduce dependency and increase the capacity of Native communities to take care of themselves; and to ensure that the state and federal government fully implement measures for local control and self-governance; and**

BE IT FURTHER RESOLVED that the Convention urges that this process begin in early 1995 with a series of Congressional oversight hearings on the present condition of Alaska Native people and communities; that such hearings be a cooperative effort of the Senate Energy and Natural Resources Committee, the Senate Committee on Indian Affairs, the House Natural Resources Committee and such other committees as have jurisdiction over Native policies and appropriations; that the topical organization of such hearings generally follow the structure of the Alaska Natives Commission Report; that such hearings be held in Alaska to maximize Native participation; that such hearings require public testimony to make specific recommendations for procedural reforms and resource reallocation in federal statutes and programs; that such additional research and hearings as the Committees deems necessary be conducted thereafter in Washington, D.C. and/or Alaska; and that Congressional enactment of statutory reforms begin no later than the Second Session of the 104th Congress.

Alaska Federation of Natives Convention Special Resolution

TITLE: FEDERAL AND STATE ROLES IN IMPLEMENTING THE RECOMMENDATIONS OF THE ALASKA NATIVES COMMISSION REPORT

WHEREAS: the Report of the Alaska Natives Commission urges fundamental reform of many government policies and programs; and

WHEREAS: each of the Commission's 34 major policy recommendations and 76 programmatic recommendations requires changes in statutes, regulations and administrative practices that no group of private citizens can possibly achieve without adequate governmental appropriations and without the the active support of public officeholders and agency administrators; and

WHEREAS: the Commission's report describes the development of an insidious dependency relationship between Native people on the one hand and the laws, appropriations and services of public agencies on the other - which is itself a fundamental cause of the present social crisis; and

WHEREAS: no significant improvement in the condition of Alaska Natives will occur until Native communities regain control and access to natural resources in order to sustain ourselves economically and culturally and we ourselves take back responsibility and authority for our own well-being - and until non-Native laws and bureaucracies not only support that effort but permit it to occur: and

NOW THEREFORE BE IT RESOLVED that the delegates of the Convention of the Alaska federation of Natives urge federal and state administrators, members and staffs of Congress, members of the Alaska State Legislature, and the public at-large to study the findings of the Alaska Natives Commission Report; and

BE IT FURTHER RESOLVED that the Convention urges all policy makers and operational agencies of the United States and the State of Alaska to develop procedures to work with the appropriate Native organization, government and corporation, to implement those recommendations of the Commission that require governmental action.

**Addendum to the Testimony of Julie Kitka
President, Alaska Federation of Natives
Before the Joint Committee Hearing of November 16, 1995
On the Alaska Natives Commission Report and
the Section 29 Native Hire Agreement
U.S. House Resources Committee
U.S. Senate Energy and Natural Resources Committee
U.S. Senate Indian Affairs Committee**

My name is Julie Kitka. I am testifying in my position as President of the Alaska Federation of Natives. My testimony on the Section 29 Native Hire Agreement is divided into three parts: first, Historical Background; second, Current Interior/Alyeska Native Hire Agreement; and third, Unresolved Issues - Federal Liability.

A. Historical Background

In the past when I have appeared before the Congress, I have spoken of present concerns, amendments to ANCSA, subsistence rights and Federal budgetary concerns. Rarely have I spoken of the history of Alaska Natives. Today, I believe this Committee needs to be reminded of that history and the bargain struck between the federal government, the Alyeska Pipeline Company and Alaska Natives, reflected in Section 29 of the Grant of Right of Way from the U.S. Department of the Interior to the Alyeska Pipeline Company. In speaking of that bargain, I must remind the Committee of the promises made and broken. Most will acknowledge that the history of dealings between the federal government and its indigenous peoples in the eighteenth and nineteenth centuries is one of many broken promises. Few realize that for Alaska Natives that history of broken promises extends through the last three decades of this century.

The recent history of Alaska Natives is the story of the inextricable linkage between the development of Alaska's petroleum resources and the extinguishment of Alaska Native land claims to permit that development resulting from the passage of ANCSA.

Unlike Native Americans in the lower 48, Alaska Native history is not a story of conquest, loss of land and the creation of a reservation system. By the late 1960's it had become clear that the claims by Alaska Natives to ownership of virtually all of the land in the State of Alaska had not been extinguished and development of Alaska and its rich oil and gas fields was on hold. In admitting Alaska into statehood, Congress reserved the resolution of Native land claims for a later date. No serious development of the recently discovered oil field at Prudhoe Bay or a corridor for a pipeline from the North Slope was possible until the status of Native claims was resolved. To permit resolution of Native claims Interior Secretary Stewart Udall froze all land transfers. His successor, Walter Hickel, continued the freeze which was confirmed by the United States Court of Appeals for the Ninth Circuit in State of Alaska v. Udall.

As a short term strategy, in order to construct a trans-Alaska pipeline system, the pipeline company attempted to secure waivers, or release of claims from those Native organizations whose land lay in the proposed pipeline route. The pipeline company funded a Native employment census with the AFN. Then it

turned to the four regions whose lands the pipeline would traverse.

The pipeline company promised the Native land claimants that if they released their claims to the lands in the proposed pipeline right of way, Alaska Natives would be given priority preferences for all of the jobs involved in constructing and operating the pipeline and the regions would experience prosperity on a scale that was unimaginable in the past. The pipeline company moved aggressively and was able to secure contractual releases from the Chugach for the proposed terminal at Valdez and the Ahtnas for the lower third of the more than 700 mile right of way. Based on these promises of jobs and prosperity, the Ahtna and the Chugach two groups gave up their rights in the pipeline corridor for \$1 and the promise of jobs and contracts and other special consideration. The pipeline company failed, however, to get releases from the two other regions claiming ownership in lands necessary for the proposed pipeline.

By the winter of 1969, it was clear to all knowledgeable observers that a comprehensive long term resolution of Native land claims was necessary before anyone's land ownership could be secure. Following publication of the authoritative Alaska Natives and the Land, the oil rich land in Prudhoe Bay appeared subject to our land claims. The pipeline company had been unable to secure releases for the land necessary for the pipeline independent of a settlement.

Once again the pipeline company, and its parent oil companies, promised Alaska Natives that if they were to support the extinguishment of Native claims to the necessary pipeline right of way, Alaska Natives would be given priority for all pipeline jobs and would benefit from training, employment, subcontracts and the consequent prosperity. These promises are memorialized in transcripts which exist today of meetings between Alyeska's highest leadership and the Ahtnas, the Chugach and other Native leaders. Because of these promises, Alaska Natives did not object to the provisions of ANCSA that extinguished Native claim to all lands necessary for the pipeline and its attendant facilities. Section 17(c) of ANCSA, authorized the Secretary of the Interior to withdraw a pipeline corridor up to 10 miles wide, free from Native land selection under that Act. This was an extraordinary concession permitted the pipeline company, now called Alyeska Pipeline Company, to avoid paying right of way fees to any Native corporation. Coupled with the Secretary of Interior's acceptance of the 1969 Chugach and Ahtna releases, this concession was worth billions.

The AFN and the Secretary of Interior supported the Section 17(c) proposal because they believed that Alyeska would honor the promises it made in the preceding two years. Indeed, Alyeska acknowledged that it has created a special relationship with those two regions and that it had ongoing responsibilities towards Alaska Natives as a people.

The Alaska Native Claims Settlement Act (ANCSA) passed

handily in 1971 and was signed into law December 18, 1971. Construction of the pipeline required separate special legislation. In 1973, Congress passed the Trans Alaska Pipeline Authorization Act (TAPS Act) which authorized transfer of the necessary right of way to the pipeline company, and directed the Secretary of the Interior to take all actions necessary to permit construction. Passage of the TAPS Act was controversial, and strongly contested. The deciding vote in the Senate was cast by the Vice President. Once again, Alyeska solicited the support of the AFN and Alaska Natives, promising training, and jobs, and subcontracts and other benefits. Once again, believing Alyeska's promises, the AFN and Alaska Natives supported the legislation.

In 1974, the Secretary of the Interior awarded Alyeska a right-of-way over Alaska Native lands, free of Native land claims, and included in that right-of-way provisions (Section 29) requiring Alyeska's to do everything practicable to secure the employment of Alaska Natives. Section 29 is not an affirmative action requirement. Affirmative action is addressed in a separate provision, Section 28. Instead, Section 29 addresses the promises made by Alyeska Pipeline Company as quid pro quo for securing Native support for creation of a pipeline corridor free of Native land claims.

In 1974, the Secretary of Interior and Alyeska entered into a Native Utilization Agreement implementing Section 29 that required Alyeska to ensure that 20% of its work force and 20% of its contractors' workforce were Alaska Natives. That Agreement

also required Alyeska to report to the Secretary on the Native composition of its and its contractors' workforce at regular intervals. That Agreement remained in effect for 21 years, until it was replaced one month ago. Although the 20% employment commitment was far below the "virtually all of the rural pipeline jobs" promised by Alyeska, AFN recognized that it was a good start. AFN was troubled by the provisions in the Agreement and Right of Way that denied it the ability independently to enforce Section 29. The Secretary reserved to himself full and exclusive responsibility for holding Alyeska to its Agreement and Right of Way.

Our misgivings about the enforcement provisions were not misplaced. Over the next 21 years two things became clear. First, Alyeska never lived up to its Agreement, and, second, the Secretary did nothing whatsoever to enforce Section 29. In 1978, Alaska Natives reminded the Secretary of his obligation to enforce Section 29. Ahtna brought action against Alyeska to enforce the obligations Alyeska agreed to in 1969 to secure waivers of claims by Ahtna and Chugach. That action, settled to Ahtna's satisfaction the following year, disclosed that only an Ahtna/Chugach pipeline joint venture had met the 20% Native hire requirement. Neither Alyeska nor any other subcontractor was even close to the 20% goal.

In 1980, despite the express requirements in the Right of Way and Implementation Agreement, Alyeska stopped reporting its Section 29 compliance efforts. The Secretary of the Interior

knew of this and acquiesced in the practice, effectively precluding both the Department of the Interior's and the AFN's ability to monitor Alyeska's compliance with its Native hire obligations.

The consequences to Native Alaskans, already in crisis in 1980, have been devastating. The following table shows the Alyeska Native hire from 1988 to 1995. It is not a pretty picture. Between jobs, manpower training and employment opportunity, Alaska Natives lost several hundred million dollars over that seven year period. When added to the loss from noncompliance from the prior 14 years, the total loss to the Alaska Native community in jobs exceeds \$1 billion of wages and benefits.

ALASKA NATIVE EMPLOYMENT

ALYESKA ONLY

DOES NOT INCLUDE CONTRACTORS

<u>Year</u>	<u>Total</u>	<u>Native</u>	<u>¢</u>	<u>Jobs</u> <u>Lost</u>
1988	878	45	5.13	131
1989	891	45	5.05	133
1990	1,122	50	4.46	174
1991	1,222	50	4.13	194
1992	1,338	50	3.74	218
1993	1,269	48	3.78	206
1994	1,304	47	3.06	214

The actual impact on the Native community has been far greater than the loss of wages and benefits alone. Alyeska jobs are among the very best in Alaska. They require extensive training and are filled by individuals with skills and mature judgment. Natives trained and qualified for Alyeska work are desirable in the greater workplace. Because of promotion, competition from other employers, natural attrition and retirement Alyeska would have had to train many more Alaska Natives than the two hundred or more Native jobs to be filled annually. Our advisors suggest that a figure of three trainees for each job is a reasonable indicator of lost jobs. The total wage and benefits lost should be multiplied by a factor of three to reflect the enormous effects the Secretary's historic inaction.

In addition, the impact wages paid to Natives are enhanced by a rural multiplier. Dollars returned to the villages stay there and circulate often, up to two or three times before entering the broader Alaskan economy. Had Interior enforced Section 29 the economic impact on rural Alaska would have been significant.

Two events late last year focused on the consequences of the Secretary's failure to enforce the conditions in Alyeska's permit. First, the Joint Alaska Pipeline Office began an audit of Alyeska's compliance with the terms of the pipeline and all of its conditions, prompting Interior and Alyeska to begin negotiation of a new Section 29 Implementation Agreement. To the

best of my knowledge, Interior undertook those negotiations without informing the AFN or any Alaska Native organization of its efforts and without consulting Alaska Natives about the terms of the proposal. Second, in the midst of negotiations, Alyeska laid off Native technicians without first consulting the Secretary of the Interior as required in the Right of Way Permit. These two developments were called to our attention by several Native technicians who were very concerned with their lay-off, which was not for cause, but merely to accommodate Alyeska in its downsizing.

B. Current Interior/Alyeska Native Hire Agreement

At its February 7, 1995 Board meeting, the AFN Board authorized immediate action to address the problem. For the past eight months we have negotiated with Alyeska resulting in two agreements. The first, a new Section 29 Implementation Agreement, is between the Secretary and Alyeska. The second, an Alyeska-AFN Agreement, is memorialized in a letter dated October 17, 1995, reflecting the offer, acceptance and consideration between Alyeska and AFN. Both are primarily the product of weeks of bilateral negotiations between AFN and Alyeska.

I would like to state clearly for the record that we sincerely appreciate the efforts of Alyeska and its leaders, President David Fritchard, Vice President Doug Webb and General Counsel Michael Smith. These were not easy negotiations, but both Alyeska and AFN persisted in their efforts to find a workable framework for measuring and enforcing Alyeska's Native

employment obligations. The Agreements retain the 20% target and provide for systematic staged increases in Native employment to reach that goal. The Agreements oblige Alyeska to spend \$25 million of training and scholarship support. They create an open, easily monitored system of compliance to ensure that noncompliance never happens again.

On October 17, 1995, the AFN Board unanimously endorsed the new Section 29 Agreements, and specifically directed us to act further on the Government's failure to meet its obligations to Alaska Natives.

On October 20, 1995, Assistant Secretary Bob Armstrong of the Department of the Interior together with David Pritchard, President/CEO of Alyeska Pipeline Service Company signed the Agreement before the entire AFN Convention (the largest Native meeting on an annual basis with approximately 3000 Alaska Native representatives in attendance). This was an exciting time. I am proud that this was accomplished. I know I speak on behalf of the entire Native leadership, when I say that this is a very serious and important reaffirmed Agreement. The AFN commits to work diligently with the leadership of Alyeska and its owners to ensure a positive and constructive implementation.

I hope this Committee will recognize this newly signed Agreement for what it is -- a positive step forward.

C. Unresolved Issues - Federal Liability

As positive and successful our negotiations were, they only address part of the problem. While we appreciated the

cooperation of Interior officials, including Assistant Secretaries Armstrong and Deer and the Secretary's Alaska Representative Deborah Williams, their good will cannot remedy the results of 21 years of Secretarial neglect.

If the Secretary had fulfilled his obligations to Alaska Natives, Section 29 would have been precisely the kind of private entrepreneurial initiative endorsed by both political parties. Section 29 was a promise by business, to be funded by business, that would have reduced the need for public manpower training efforts. All the Secretary had to do was to enforce the terms of the Right of Way and Implementation Agreement. Mind you, the Secretary required that enforcement authority be his exclusively. Had the APN been allowed to enforce Section 29, I believe that this tragedy would never have happened. But the Secretary specifically denied those very individuals affected by the obligations the ability to enforce those obligations directly. ANCSA very clearly requires that the federal government ensure maximum participation by Natives in decisions affecting their lives and property. In denying us enforcement authority under Section 29, the Secretary exceeded his authority. You must address the Secretary's role in failing to enforce Section 29 as you reflect on what should be done here.

The Secretary's failure to enforce the requirements of the Native Hire Agreement resulted in an great incalculable social loss to Natives. The federal government's actions told one generation of Alaska Natives that they were not worth hiring or

training. The federal government's actions told the next generation of Alaska Natives that it wasn't worth the effort to stay in school and get a college education since they weren't going to be considered for responsible jobs anyway. The Secretary of the Interior, who is specially charged with protecting the rights of Alaska Natives was indifferent to their needs and could not be trusted to deal with them fairly. The federal government actions confirmed the very stereotypes that have constrained Native workers ability to thrive in the greater economic sphere.

I know that I do not need to paint for you the crisis that we face for our people. The Report by the Alaska Natives Commission sets out our challenges. The AFN believes that it would be entirely inappropriate and grossly unfair in this time of budgetary constraint to deny needed manpower training support to Alaska Natives. Our claim for these funds is both tragic and extreme. We believe that this claim is unique among all Native American peoples.

Because the federal government denied Alaska Natives the right to enforce Alyeska's obligation independently, and failed altogether to enforce the obligations itself, Alaska Natives lost more than a billion dollars worth of employment, contracts and training. The new Section 29 Implementation Agreement looks primarily to the future. The federal government must be responsible for its part of the past. A balance is owed our people by the Secretary. We call upon you to ensure that the

federal government never again fails the Alaska Native people on an issue involving their private property rights -- the rights to jobs, training and contracts. I also call upon the Congress to ensure that the Native people are made whole again. Make us whole, not from the injuries of a century ago, but from the injury that began 21 years ago and ended only last month. We are committed to work with you to remedy this injustice.

**A CALL TO ACTION:
TAKING COMMUNITY RESPONSIBILITY**

THE ALASKA FEDERATION OF NATIVES

**1577 "C" Street, Suite 100
Anchorage, Alaska 99501**

INTRODUCTION

The AFN conference, "A Call to Action: Taking Community Responsibility," (October 10,11, 1994) was called in response to the final report of the Alaska Natives Commission which affirmed what the Native community has known for some time - that only they can solve the social, cultural, and spiritual problems that have plagued them for the last 30 years.

The tone for the conference was set by the opening statement of AFN President Julie Kitka, who asked the delegates to "send a clear message, to our people and government alike, that we - as Alaska Natives - intend to reclaim control over our lives."

Saying that the problems facing Natives had multiplied over the years, becoming more serious in scope, she told the Native leaders present that they had to "confront and overcome" these challenges now, as the "will to take hold of our future was slipping away... one village at a time... one family at a time... one person at a time." The alternative, she said, was to "do nothing," to "resign ourselves to our present circumstances;" and this, she said, "was not acceptable."

The only criteria set in the search for solutions were that they be ones Native villages could implement on their own without the need for new authorization from state or federal authorities, and further, that they not require the creation of new government programs. Government, Kitka said, had spent billions of dollars creating a "forest" of programs designed to keep Native people alive, and to solve their growing social problems. But, she said, the well-intentioned programs had not worked, they had instead, brought Alaska Natives to the brink of becoming "prisoners of dependency."

Saying that government still has a critical and positive role to fulfill in the lives of Alaska Natives, Kitka called for a "new partnership" with government, where it becomes an "investor" in the economic development of rural and village Alaska; trading welfare programs, hopelessness and depression for jobs, hope, and a new lease on life. She also asked that government and Native people together examine how the ever dwindling monetary resources are being appropriated in rural Alaska, to see if they are going where they are most needed.

The Native leaders present were asked to concentrate on the most basic issues facing Alaska Native communities: the alcohol fueled suffering; physical and mental health; joblessness; and dependency on government.

Called to "identify those things village governments, families, and individuals can do *now* to improve life for themselves," the village leaders who attended met for two days. The first order of business was to answer the question posed by AFN to its members: "Whose responsibility is it to end the alcohol-related violence and deaths?" and by extension, the social/cultural/ and spiritual problems that lie at the root of these tragedies.

The answer was unanimous, the conferees agreed it was their responsibility; and in so answering, the representatives of the Native villages present, quietly signaled a change of historic proportions.

PLANNERS

The planners for the conference were:

Julie Kitka, President, AFN

General John Schaeffer, NANA Regional Corporation

Emil Notti, President, Alaska Native Foundation

Mike Irwin, former Executive Director of the Alaska Natives Commission

Ann Walker, Executive Director, the Alaska Native Health Board

Gerald Ward, Department of Corrections

Gregory Nothstine, AFN Sobriety Movement

Margaret Olsen Knowles, Kodiak

Dr. Matthew Berman, Institute of Social, Economic, Research, UAA

Dr. Robert Alberts, MD

Major funding for the conference was provided by the Alaska State departments of Health and Social Services and Corrections.

The Department of Community and Regional Affairs provided funding for the composition and distribution of this report.

Malcolm Roberts, special assistant to Governor Walter J. Hickel, co-ordinated with AFN in the planning and financing of this conference.

MARKAIR provided special conference rates for delegates traveling from the many villages they serve.

TOWARD ENDING ALCOHOL-RELATED VIOLENCE AND DEATH

Michael Irwin, former Executive Director of the Alaska Natives Commission introduced the issue of alcohol control in Native villages as an issue that has escaped successful resolution by the various governments under which Native people have fallen since contact with the West; "successful resolution" being defined as keeping it out of the village.

Since its introduction, alcohol has presented a threat to the health and well-being of Alaska Natives, bringing death, violence and sorrow wherever it was introduced. As an example, Irwin cited the first homicide reported in the North Slope, a murder committed by a drunk man in 1836. In the same period, he said, the Nunamuit, going to what is now Barrow, traded all they owned for liquor and molasses only to starve, or die of exposure, on the way home.

There are many other examples, historical and current, of the tragic consequences of alcohol use by Alaska Natives. The ethnographer, Edward William Nelson, on arriving on St. Lawrence Island aboard the Revenue Cutter *Corwin*, in the spring of 1875, recorded how they had found dead villages with bodies strewn all over; of a once healthy population of 4000, only 200 were found to have survived. Nelson attributed the deaths directly to alcohol abuse. As with the Nunamuit, it appeared that the St. Lawrence Islanders had starved to death after neglecting the hunt due to drinking, but it is possible that disease was an added factor.

Another constant, Irwin pointed out, was the inadequacy of Federal, territorial, and state efforts in controlling the flow of alcohol into Native villages, in spite of the repeated requests from the people living there. At the same time, Irwin said, Federal, territorial, and State authorities have never been willing to turn over control of alcohol to the Native village governments because of jurisdictional and other considerations.

Commenting on the intractability of the problem, he said that the comments made by Native villagers recently before the Alaska Native's Commission echoed the very same comments that have been made before governmental bodies since intercourse between Native people and the US government began.

Following Irwin, Dr. Matthew Berman of the University of Alaska's Institute of Social Economic Research, presented the conference with the statistics on violent deaths, most of which are alcohol related. And, as he correctly pointed out, as distressing as the numbers might be, they did not represent the true costs of alcohol abuse on Alaska Native communities, families and individuals. (Berman's statement "Alaska Natives Dying from Injuries and Violence" and accompanying graphs are attached to this report.)

"Alaska Natives are more likely to die violently *than any other group in America* (italics added)."

"The deaths themselves are only many of the symptoms that something is seriously wrong in Native communities."

"...the number of people dying adds up to an epidemic of staggering proportions. From 1980-1991, 396 Alaska Native men committed suicide, 173 were murdered, 862 died from accidents. All these deaths could have been prevented."

"The total number of [violent] deaths between 1980-1991 add up to 1,431 men and 410 women - nearly 2,000 Native people in just 12 years."

"Alcohol is involved in most accidental deaths, suicides, and murders."

"If the deaths continue at their current rates, violence will take an enormous toll on the population of the village."

Matthew Berman, ISER

Unmeasured is the damage alcohol abuse has inflicted on the will and the spirit of Alaska Native families and communities who have had to live through repeated episodes of traumatic events, especially the children, many of whom are now scarred for life.

Through alcohol, the "cycle" of violence, trauma, and death, that began with the massacring of Aleuts by the Russians, and carried on by disease, church, and state, continues today; but now it is Alaska Natives who are hurting themselves, it is as if they had turned on themselves.

Indicators of the damage can be found in the rising migration of the young from villages to hub communities and the cities; the continuing poor performance of children in school; the break-up of families; the number of young Alaska Natives in the juvenile and correctional systems of the state; the fall in the age of alcohol, drug, and inhalant abusers (youngest known is 2 years old); the falling age of suicides (a 12 year old committed suicide this fall in one of the villages, leaving a suicide note behind; reason given for taking her life was her parent's drinking); teen pregnancy; etc.

The presentations by Irwin and Berman drove home three points to the conferees:

- 1. Alcohol poses an intimate and imminent threat to villages, families, and individuals who use it, as well as for those around whom it is being used; it's very presence in a village or home making the likelihood of violence, accident, or death very high;**
- 2. In spite of "local option laws" and the "sobriety movement," alcohol use and abuse has not been significantly reduced, especially among the young;**
- 3. While local option laws have slowed the flow of liquor into communities that have enacted them, they have not been effective, and this, because most communities rely on state troopers and distant state courts to enforce them; trooper involvement is mostly been one of arresting individuals who have committed alcohol-related crimes; hence, as the figures show, alcohol abuse and the incidences of violence, accidents and death, remain constant in spite of state sanctioned and enforced "local option laws."**

PROGNOSIS

Unless urgently needed reforms and improvements are made in the societies, economies, and governments of Alaska Native villages, the prognosis for seeing a lessening of alcohol abuse and related social pathologies is poor.

In fact, if there are no immediate improvements made, alcohol abuse, drug abuse, inhalant abuse, and related tragedies, will remain constant, and will most likely rise, as the group identified as being most "at risk," presently comprises over half the Native population, and is growing.

ALASKA NATIVE POPULATION CHARACTERISTICS

Alaska Native population	90,000
Average Age	22
Most numerous group	5 and under
18 and under	40% of total
Rural	66%
Urban	34%
Growth rate	3% annually

(Source: Alaska Native Health Board)

Note: This "at risk" group of Alaska Native children and youth is already exhibiting behavior which should be of concern to tribal, state and national leaders:

- * 15-20% of Alaska Native rural 12th grade students *admit* to regular alcohol use
- * Inhalant abuse (gas sniffing) is a rapidly growing problem in the 7-13 age range

RECOMMENDATIONS

Faced with this poor outlook for the future of many Alaska Natives, the planners and the conferees decided to recommend a number of immediate and long-term steps to village, state and federal governments.

The first body of recommendations are contained in this section and they are proposed primarily to village councils; to control, or end, the flow of alcohol into their communities, and taking immediate steps to end the violence and deaths.

The other recommendations contained in other sections of this report, while not directly related to alcohol abuse, are aimed at addressing some of the social, cultural, economic, and spiritual causes of the abuse.

Concurring with AFN President Julie Kitka, who had issued a proclamation declaring alcohol "a clear and imminent health risk" to Alaska Native's wherever it is found, the conference, *in order to save lives, and to regain the peace and harmony of their villages*, made the following recommendations:

1. **That Village tribal governments enact and enforce ordinances banning the importation, sale, and the manufacturing of alcohol in their communities as a public health measure;**
2. **That village councils enact protective custody ordinances, giving themselves the authority to take into custody any inebriate, from homes and public places, until such time as the inebriates no longer pose a threat to themselves, their families, and others in the community.**

The conference participants understood, in forwarding this recommendation, that it is not against state law to be drunk, and that the constitution protects what a person does in the privacy of his own home. But seeing that in most villages alcohol related crimes of violence are committed *in the home*, and usually against *friends or family members*, they decided that the need to protect lives far outweighed any constitutional protections to privacy; hence the recommendation to take drunk people even out of their own homes.

The conferees agreed, that protective custody ordinances, tirelessly and patiently enforced by village governments, will cut down dramatically the number of deaths from alcohol-related accidents, homicides and suicide. They also believe that such ordinances would significantly reduce violence in the home and restore peace to the village.

Protective custody was proposed, not as a punitive measure, but as an act to protect the community from further violence and death.

3. That bootleggers and homebrewers be charged as accessories to crimes committed by people to whom they sold or gave liquor.

This recommendation is based on the fact that over 90% of all violent crimes in Alaska Native villages are alcohol-related; that 53% of Alaska Natives incarcerated are being held for crimes that have been categorized as the "most violent." Inupiaq elder Rachel Craig pointed out that these tragic facts are well known to bootleggers, who still choose to profit by selling alcohol where it has been banned. She, and an overwhelming majority of conference participants, felt that such people should be held responsible for the violence and suffering caused by their clients

The conferees further recommended that village councils, AFN, and legislators representing Alaska Native communities, lobby the Alaska State legislature for the enactment of laws making bootleggers accessories to crimes committed by their clients.

4. That village councils provide healthy cultural, social and recreational activities for the whole community, especially the young, who oftentimes correctly complain about having "nothing to do;" the result is boredom which then elevates the likelihood of alcohol and drug abuse. (15-20% of Alaska Native rural 12th graders admit to regular alcohol use: Source: Ak Native Health Board)

Underlying the discussion around alcohol was the urgency, the need to do "something" to save a generation of Native children from the ravages of alcohol, drug, and inhalant abuse, along with the *certainty* that if they truly wanted to, village councils and their communities could end the alcohol related violence and deaths.

It was the consensus of the group that villages should enact, implement, and enforce their alcohol control ordinances without waiting for state or federal approval. It was also the consensus of the conference that village tribal governments (the IRA's and traditional councils) were best able to pass and enforce such ordinances as they had a greater variety of options under Federal Indian law than the village municipal governments (2nd Class cities) did under the state's municipal code, Title 29.

IMPROVING THE PHYSICAL AND MENTAL HEALTH OF ALASKA NATIVE VILLAGES, FAMILIES AND INDIVIDUALS

The discussion around physical and mental health centered around the Alaska Native Commission's assertion that, because of depression, Alaska Natives were not taking care of themselves; that they were suffering from illnesses that they could prevent; and that they had "turned over" to the Indian Health Service the responsibility of taking care of their health in much the same way that they had turned over other responsibilities to other branches of government.

Dr. Robert Alberts, in his presentation to the conference on the "Anatomy of a dysfunctional village," identified the depression as one of the lingering aftereffects of the collapse of Alaska Native cultures and societies after repeated attacks by disease, missionaries, and government, as represented in early territorial days by the school teachers.

Echoing the Alaska Natives Commission's Social/Cultural Task Force, he told the conference that this psychological, or "spiritual," illness, aggravated today by joblessness, poverty, dependency and a growing sense of helplessness and powerlessness, was one only the Native people themselves could heal by re-opening the broken lines of communication between families and by reestablishing the bonds of kinship, culture, language, and traditional values.

Anne Walker, Executive Director of the Alaska Native Health Board, agreeing with Alberts, told the conference that regardless of who was responsible for creating the problems Alaska Natives face today, they still needed to take "ownership" of them, then do whatever was necessary to solve them.

She said that while the Federal government's legal and other responsibilities for ensuring the health care of Alaska Natives remains clear, there was only so much the Indian Health Service could do; that because of the limitations of staff, facilities, equipment, money, time, and distances separating villages from the hub communities and Anchorage, the IHS continues to spend its resources in treatment and not in prevention.

Walker said that the same limitations also applied to the regional health corporations which have contracted many of the Indian Health Service's programs including the running of several hospitals. Here again, Walker said, preventive medicine has not been a priority, nor has it been integrated into the workings of these corporations on the village level.

Village governments, families, schools and churches, she said, need to fill this gap, begin working together to improve the mental, physical, and spiritual health of their members through education and preventive programs.

Native people, she said, are no longer dying from infections and respiratory diseases like they did only 40 years ago; they are dying from preventable diseases like cancer and heart disease; and from accidents, homicide and suicide, most, if not all of which, be prevented.

Causes of Death, 1950, 1988, by Percent
(Source: Alaska Native Health Board)

CAUSES	1950	1988
Infections	45.8%	1.3%
Respiratory	13.2%	7.2%
Accidents	9.6%	21.7%
Heart Disease	5.3%	16.2%
Congenital	3.0%	6.0%
Cancer	2.4%	15.7%
Homicide/Suicide	1.7%	11.1%
Stroke	1.4%	3.6%
Other	17.6%	17.2%

RECOMMENDATIONS: PHYSICAL AND MENTAL HEALTH

1. Village Councils need to educate their members to the dangers of tobacco, alcohol, inhalant and drug abuse; they could do this through the schools, churches, community functions, etc.; the best targets would be the children in the schools who had not yet begun to smoke, chew, drink or use other chemicals and inhalants; they must also practice sobriety as leaders and role models, especially at this critical stage in the history of their people.

In her report to the conference, Anne Walker told the participants that "*tobacco offers the largest single opportunity to reduce cancer and heart disease and improving the overall physical health of Alaska Natives.*" Not only is tobacco affecting the health of adults, it is also a definite health risk to children and Alaska Native youth.

Tobacco abuse by Alaska Native Children and Youth

- ~ 16% of rural 4 and 5 year old children in NW Alaska are regular users of smokeless tobacco (S.T.).
 - ~ 30% of 7-12 year olds in Western Alaska are regular users of S.T.
 - ~ 40-50% of Alaska Native 12th graders use some form of tobacco.
- (Source: Ak Native Health Board)
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2. Village Councils should pass ordinances making community halls, schools, and other public places off limits to smoking; they should also pass ordinances making the sale of tobacco products illegal to all village members under the age of 18 and penalizing those businesses that do;

While village councils can pass ordinances making smoking illegal in public places, and while they might make it illegal to sell tobacco products to children, it is an unfortunate fact that some Native parents actually *allow* their children to chew tobacco, some even *buy it* for them. They do not seem to understand that tobacco, smoked or chewed, poses a risk to the long-term health and well-being of their children.

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- ~ By grade 12, 81% of Alaska Native females and 68% of Alaska Native males have had sexual intercourse.
 - ~ The same statistic for American Indian females is 59%, and 66% for males.

(Source: Ak Native Health Board)

3. Village Councils, parents and youth, must address the issues of sexually transmitted diseases and pregnancy by unwed teens;

Like communities and families everywhere, Alaska Natives have not been able to bring themselves to openly discuss matters relating to sex; it is as if by mutual silent consent, they have decided not to "talk about it" in the same way that they have chosen not to talk about other troubling aspects of their existence.

In the meantime, there has been an explosion of teen pregnancies and unwed mothers; a generation of "fatherless" children has been born to Native families in the last thirty years the impact of which will not be known for some time. Furthermore, as Joe Cantil of the Alaska Native Health Board Aids Project told the conference, there is a real danger of an AIDS epidemic in Alaska Native villages; a totally avoidable epidemic made possible by a lack of information and denial.

This unwillingness or aversion to openly discussing matters of sex is wrapped up in an unhealthy religious/moral blanket of "sin." Where once it had been a natural part of life, it has become dirty, a cause for shame. But underneath the blanket of silence is turmoil reflecting the erosion of traditional Native values and mores. The result, as already mentioned is an explosion of teen pregnancy and other sexual abuses.

In communities where 81% of all 12th grade girls have admitted to having had sexual intercourse, as had 68% of the boys, Cantil and others say it is imperative that everyone in the community, even the churches, begin working to address the very real risks of unprotected sex, both physical, spiritual, and social.

4. Village councils must pass and enforce ordinances against domestic violence, sexual abuse, and incest.

The recommendation on domestic violence, sexual abuse and incest touches on one of the most tragic and sensitive of problems facing Alaska Native societies today; tragic because it is mostly family-on-family violence committed in the "safety" of the perpetrator and victim's home; sensitive, because it is hidden in silent shame and fear in the "privacy" of many village homes.

Although no specific numbers were given, it was the consensus of the presenters that violence against Alaska Native women was greater than reported; that many cases go unreported and perpetrators go unpunished; as in accidental deaths, homicides and suicides, most of this violence is related to alcohol abuse.

Identified as "victims" were the village, the families, the abused women, and the children, who become traumatized witnesses, especially when the abuse is directed at their mothers openly and over a long period of time. For these victims, the long term effects have proven to be just as tragic as the original abuse itself:

- a) The Alaska Natives Commission in its final report attributes the poor performance of many Native children in school to alcohol abuse and violence at home; the Commission said that for too many children, school was a place to rest, a haven from the troubles at home;
- b.) Charmaine Ramos, a Tlingit woman, told the conference that statistics compiled by the Municipality of Anchorage show clearly that most Alaska Native women who become victims of violence in Anchorage had left the village to "escape" physical and sexual violence only to fall victim to alcohol abuse, and even more violence in the city.
- c) It is a commonly accepted fact that many children raised in homes where alcohol and violence were constant, become alcohol and drug abusers themselves later on in life; many get into abusive relationships, continuing the "cycle of violence" they fell into as children;

- d) many sons of abusive families end up dying in alcohol related accidents, suicides, and homicides:
- e) Alaska's prison's are overflowing with young Alaska Native men imprisoned for violent crimes committed while drunk: most of these young men come from homes where one or both parents abused alcohol, and where neglect and violence were frequent; most dropped out of school, many grew up in the state's foster care program.

The conference participants in passing the recommendation to village councils to pass ordinances protecting women and children did so because ultimately it is the responsibility of the Native people to protect their members from violence, not the state troopers, state welfare agencies, or anyone else. They also wanted to *send a very clear message to the Native community that this type of behavior against women, children and other vulnerable members of the village cannot, and should not, be tolerated.*

They also wanted to reinforce and support existing state and federal laws against domestic violence and make it incumbent on Alaska Native governments *to arrest and bring to prosecution, tribal members who have been accused of committing these crimes.*

5. Alaska Native tribal councils must pass ordinances protecting children from parental neglect, sexual, and other abuses, and they must work with tribal, state, and federal enforcement agencies and courts in enforcing them

Considering that over 40 % of the Native population is 22 years old and younger, and considering that the largest age group of the total Native population is under 5 years of age, this recommendation by the conference is significant, especially *"when the increased ability to recognize, treat, and prevent child abuse, particularly child sexual abuse, offers Alaska Natives the best opportunity to prevent substance abuse, suicide, FAS, and child abuse (The Alaska Native Health Board)."*

If village governments follow this recommendation and move vigorously to protect the children it would correct one of the most tragic breakdowns in Alaska Native societies.

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- ~ In 1991, Alaska Native children comprised 30% of reported Native American child abuse cases in the US while comprising only 9% of the total Native American child population.
 - ~ In 1992, Alaska Native children experienced 35% of all confirmed child abuse in Alaska
 - ~ 25% of 12th grade Native girls and 4% of 12th grade boys report to having been sexually abused.

(Source: Ak Native Health Board)

At present, most Native councils and communities do not "interfere" with the inner workings of families, even when abuses are known to be occurring in a household; they leave it to State welfare agencies like DFYS to do "something." Unfortunately, and tragically, many children suffer neglect and abuse long before they catch the attention of a social worker.

The effects of such communal and parental neglect of children is already evident in the number of Alaska Native juveniles under protection and supervision of the state and in the young Alaska Native men in prison. It is also a factor in the falling age of young Alaska Native suicides, and in the rising alcohol, drug, and inhalant abuse by Native children.

The conference, in recommending ordinances protecting children recognized that they are the most vulnerable members of communities where the abuse of alcohol and violence has grown in proportion to the problems they face.

"Everything eventually comes down on the children," said George Owletuck of Marshall, "in the early days of westernization and Christianization, it was the children who fell into the hands of the school teacher and the missionary to become pawns in

the forced acculturation of their people; unprotected by families, they were ridiculed for being who they were, their mouths washed with soap for speaking their own language; it was the children who were hauled off to school hundreds and thousands of miles away, to orphanages and boarding schools only to become strangers to their own people, wedged in impossible places between two cultures. "

"Today they are falling through the cracks again," Owlituck continued, "but this time they are being neglected and abused by dysfunctional families and communities, by parents whose eyes have turned inward in self-reproach, because of constant stress, depression, and failure."

PROVIDING MEANINGFUL WORK FOR ALL SEGMENTS OF VILLAGE SOCIETY

Dr. Robert Alberts, in his presentation to the conference on the "anatomy of a dysfunctional village," pointed to dependency as the most destructive and disabling symptom of a village that had lost control of itself. In the case of Alaska Natives, after over a century of rule by federal, territorial and state authorities, coupled with the many programs fostered by the War on Poverty, dependency has come to pervade all segments of Alaska Native society. From birth to death, Alaska Natives now rely on government to provide for their health, educational, governmental, social, and economic needs.

As AFN President Julie Kitka said in her opening statement, Native people now watch as someone else feeds, medicates, houses, clothes, and educates, their children, while on the other hand, following government directives in running every aspect of their existence. And having become frozen into this culture of dependency, she says, Native people now stand helplessly by as the "flower of our youth" self-destruct through alcohol and drug abuse born of the hopelessness and discouragement endemic to a dependent society.

While dependency pervades all segments of Alaska Native society, it is perhaps most obvious in the economy of Native villages where food stamps, AFDC, and other "welfare" programs have become the foundation.

The conferees agreed with Dr. Alberts and the AFN President that Alaska Natives had become a dependent people. Yet, they also agreed, that because of the continuing economic depression in rural Alaska, economic assistance will continue to be needed, but *not in the form that it is presently being given.*

TOWARD BREAKING ECONOMIC DEPENDENCY ON GOVERNMENT

Long term solutions to dependency, AFN President Julie Kitka told the conference, will have to come through a "new partnership" between Alaska Natives and Federal and state governments. While Kitka's call for a new partnership covers all aspects of the Federal/state/Native relations, implicit in her comments was the need to reform the way "welfare" is provided Native villagers now, and the necessity of creating a lasting economic base for them in the future.

Rather than continuing to prop up the artificial welfare economy that it has created for Native villages, Kitka called on government to become true "investors" in their economic future.

For the short term, she asked that government replace food stamps, AFDC, General Assistance, and other transfer payment programs, with "Community Economic Support Grants;" monies to be granted to village councils so they could hire the unemployed to work on needed projects around the village. In this way, AFN proposes to double the impact of the aid going to the villages: not only would the unemployed be given "meaningful work," village projects that would otherwise require other grants from government, would get done.

For the long term, Kitka called on government to invest in the economies of rural Alaska, to leave something behind for the people that live there instead of just extracting minerals, precious metals and renewable resources from their lands, then

leaving . As put by one of the conference participants, there is "something terribly wrong when Alaska Natives, once the sole owners of the land, must live on food stamps and other handouts "while someone else pumps oil out from under their feet."

In addition to asking for investments, Kitka called on federal and state governments to remove existing statutory and regulatory "obstacles" that stand in the way of Native participation in the development of Alaska's renewable and non-renewable resources.

These comments of Kitka's on "new partnerships," "investments," and the removal of "obstacles" are best understood only when it is seen that the economic depression in Native communities is the result of government policies followed since the United States "bought" Alaska from Russia. General John Schaeffer, Jr. (ret.) of Kotzebue said such policies had "ignored the existence of Native people," brushing them aside as "inconsequential non-entities" when it came time to distributing Alaska's wealth.

The conference, in making the following recommendations, recognized that achieving a turnaround in the dismal social conditions of Native villages hinge on solving the problems of unemployment and the lack of economic opportunity available to them; that as long as Native people remain economically dependant on government to live, any progress they might make in other areas of their lives, would continually be undermined:

- 1. That village councils provide meaningful work (voluntary if necessary) for the youth and other unemployed in their communities.**

The conference attributed a lot of the social problems to unemployment and idleness on the part of many Natives. Of special concern were the young men, whose traditional role as hunter, provider, and protector of the family and the community has been undermined by the "welfare" economy.

With no job, besides hunting and fishing for subsistence, many young men today, not only have a lot of idle time on their hands, but have become dependant on their parents and other family members to provide for their needs. Hence the recommendation that village councils provide "meaningful" work for the young, even if it is voluntary.

There is a lot in the history and traditions of Alaska Native tribes extolling the "work ethic;" of helping others, of contributing to the welfare of the people, especially the elderly. This ethic, many conference participants felt, is one of the casualties of the welfare economy, and the results, they say, have been tragic.

Julie Kitka, in her opening comments, had decried the "waste" of Native youth, of the labor force with "nothing to do," who in time, turn to alcohol and drugs to relieve the tedium and to "medicate" a discouraged soul. Village leaders need to resurrect the spirit of selfless community service around which the old Native cultures were formed, where giving by labor, not only kept the village going, but helped form the bonds which tied the people together.

- 2. That village tribal governments, regional corporations, and the Alaska Federation of Natives, work with Federal and State governments in changing the way economic support is being provided Alaska Natives and their families. Specifically, it is recommended that food stamps, AFDC, and other transfer payments be traded for "village economic support grants;" the grants to be used by the village councils in hiring unemployed heads-of-households to work in the schools, clinics, sanitation services, and other needed projects in, and around, the village.**

There is already some precedence, in Alaska and other states, for "workfare" as proposed by the conference. The Tanana Chiefs Conference, although the practice was later questioned by the BIA, utilized their General Assistance program funds to hire unemployed village people. The program where it was instituted was very popular and recieved widespread support in the communities where it was tried, especially by the village elders and the participants. It is recommended that village, regional and statewide Native governments and organizations seek the necessary waivers from federal and state governments to implement "workfare" in Alaska Native villages.

3. That village governments, village corporations, regional Native corporations, and the Alaska Federation of Natives, work with State and Federal governments in the planning and implementation of a comprehensive rural Alaska economic development plan.

Some of the recommended courses of action, proposed for inclusion in the plan were:

- a) amending the state commercial fisheries limited entry program to allow the issuance of inalienable "local access permits" for Alaska Natives living in fishery sites like Bristol Bay, the Yukon and Kuskokwim fisheries, etc.,
- b) enacting and enforcing local hire laws for capital projects funded by the state and federal governments to include planning and construction;
- c) the creation and funding of an "Alaska Native Economic Development Trust (as recommended by the Alaska Natives Commission); the principle to be used as loan guarantees for businesses and economic development projects being developed regionally and locally by Alaska Native tribal governments, corporations and individuals;

CLOSING; FINAL RECOMMENDATIONS

The "Call to Action: Taking Community Responsibility" Conference was the first step in a process that has to eventually translate itself to action on the village, family, and individual level. To assist the process it was recommended that the Alaska Federation of Natives hold regional conferences with village councils as participants so as to localize the proposals made by the statewide conference.

The proposed conferences would actually be "council work sessions" where councilmen and leaders from area villages would come together to share ideas, discuss specific courses of action, ordinances, etc. The result would be a united and common effort at solving the problems that face them and a uniform system of laws for that region.

It was recommended that there be six regional conferences prior to the 1985 AFN Convention.

**Testimony on
Alaska Natives Commission
Final Report dated May 1994.**

Longworth House Office Building, Room 1324
Thursday, November 16, 1995
11:00 a.m.

By: Sarah Scanlan
Vice President Human Resources
NANA Regional Corporation

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Warm greetings from Alaska. Good afternoon Chairmen Murkowski, Young, McCain, and members of the Committees on Resources, Senate Energy and Natural Resources, and Senate Indian Affairs.

Thank you for the continuing opportunity to dialogue about how we, the Alaska Native Community and Congress together can improve the delivery of services to your customers through an understanding of exactly what the customers need and want.

You have already heard and are aware of what seems to be a bleak picture of the status of Alaska's Native peoples. Yes, the statistics are alarming. And yes, things are bad. But, as was stated in the report, the tears that came from sections of the report were offset by the laughter and humor that reflected the strengths of Alaska's Natives who refuse to be beaten.

This is the reason we are here; despite the alarming statistics of despair, dysfunction, and at times a feeling that positive change will never happen, there is hope. That hope comes from the fact that there are examples of the willingness and desire to increase the number of people and communities who want to improve their quality of life.

It has taken us years, even in the Native community, to speak openly of the need to break the dependence cycle on government. We too are still not sure about what that really means. On the one hand, we want to figure out ourselves the best way to do things, and yet we do not have the independent economic infrastructures to take over the role that government has played. The recommendations in the Commission report are good ones; we now need to move to the detailed how-to's to make them work.

I am not going to spend very much time on the problems that have and continue to plague Alaska's Natives. You've already heard enough about them; we have talked about them ourselves for too long. Rather, I will take this time to talk about what we're doing about the problems. I would like to however, emphasize how the report was right on target with what has led up to the situation with Alaska's Natives. Even though the findings are ones which none of us can feel good about, I am glad they are now out in the open so we can begin to deal with them in a constructive way. I would like to focus my comments on the issues of human resource development, and more specifically, employment issues within the Alaska Native community.

As indicated earlier, I have been with NANA for 20 years and involved in Human Resource issues for much of that time. I have been involved in the public sector's people development system also since the early 80's, having served as the past Alaska Chair of the JTPA Council, and currently am the State's School to Work Chair. So I have had an opportunity to see what has worked in other countries, states, and Native communities as it relates to preparing a successful workforce.

There are some common threads that surface in successfully preparing people for the world of work, and on a broader scale, life. Clearly, and one you have heard over and over again, is having children grow up in a healthy home environment. As you've heard, that is our first strike. Secondly, strong community partnerships with the local K-12 system so the two support each other and have common goals that children can be directed towards. Another strike against our villages for the reasons you've heard. Thirdly, a connection with any economic development activities to the local community's school system and other workforce development activities. Again, you've heard enough information to know these three very rarely talk to each other. And finally, a fourth is as employers, what do we do to ensure success?

NANA was recently listed in the Alaska Business Monthly as the fourth largest Alaska owned, Alaska based business. We currently have 1,087 employees, and during the year, 692 Alaska Natives were employed by us, including NANA and the other Regional Corporation's shareholders. The payroll year to date to the end of September to NANA shareholders only is over \$6 million. Our current shareholder workforce is about 25% of the total.

Of course the first question that you are asking yourselves is why only 25%? And is this representative of the other corporations?

Perhaps a brief historical perspective of what we've had to deal with as an ANCSA Corporation will shed some light on your questions.

NANA's philosophy early on was to enter into labor intensive types of investments. Even we carried the attitude that getting into technical types of development would make it difficult for our owners to participate in employment opportunities. But, we were committed to insuring there would be opportunities for shareholders. So, we got into things like food service and housekeeping contracts, hotel operations, security, office/accounting support staffs, and construction.

NANA has grown considerably over the years in terms of the numbers of employees, but our percentage of shareholder hire has remained basically the same. Even though we do a better job than most, we obviously still have lots of room for improvement.

In Alaska we are just now beginning to create the awareness of developing not only our natural resources, but the human resource, which around the world is seen as the only way to survive economically. In the Native Community, it is not as simple as saying let's find jobs for our shareholders.

We have dealt with the issue of the absence of well being as early as the mid-seventies when John Schaeffer and others conducted a series of community meetings to attempt to deal with the alcohol problems. Unfortunately, we did not discuss the underlying causes of this symptom of a deeper problem, and only dealt with the results of alcohol abuse. I will discuss how we have had to address the issue of well being in order to employ Alaska Natives a little later.

We have painfully come to the realization that taking on a warm ill-prepared body and sticking it into a workplace with many standards of performance without adequate orientation and some initial training wasn't going to cut it. We knew we were dealing with a people whose sense of well being was lacking; we knew we had come from difficult childhoods, all of which are covered in the report. We knew we didn't know how to cope well - we were always quick to blame others, and we knew people generally didn't know how to ask for help because the support systems were not there.

So here we were, trying to become a successful business, knowing our potential workforce was coming from communities where, in most cases, their role models were, at best, seasonal employees; coming from an education system that did nothing to prepare people for work; there was already a great dependence on government which made people think "I don't need to work"; a reluctance to be the supervisor - we'd always been told by someone else what to do; and for our young men, a fear of leaving the village to take a job elsewhere because his whole self-worth had been stripped away through the very rapid changes as discussed in the report. So, in addition to developing orientation workshops in the villages prior to hire and explaining what to expect once hired, we have had to sponsor entry level training, with mixed results. We only recently have facilitated and sponsored meetings in the NANA Region with the various employers, education institutions, Native non-profit funding agencies, and government representatives, in order for all of us to come together to understand what needs to be done to decrease the import labor numbers, and to better target the limited training dollars to the emerging and existing employment opportunities such as mining, health occupations, and teaching. We just completed the first phase of a detailed work plan to develop these local partnerships so necessary for moving forward together for all of us to do a better job of understanding what it takes in the schools, workplace, government, and communities to prepare people for work.

We've had to do many other things. It's interesting because you have heard about one of the underlying values of Alaskan Natives: that being cooperation; always figuring out how to do things in a cooperative group way. In the business world it's dog eat dog; at school, it's individual competition for the A students and to heck with the rest.

In the competitive business world, we've learned that as a business, we too have to adapt to provide the best possible service to our customers at the best price. We have invested heavily in time, effort, and money to transition to a Deming-based quality company, and are seeing the positive results of empowering the front liners, most of whom are Native shareholders in the office setting where we are first implementing this philosophy.

I wanted to spend a few moments on this issue of empowerment, since it is at the very core of Alaska Natives' crises. Empowerment in our workplace means giving the decision making authority for figuring out how to do things better to those at the front line who really know best what will work. Again, most of these individuals are Natives. What our experience in this effort has taught us is that people are excited about being given responsibility and the power to make decisions; happy about working cooperatively across department lines; enthused about knowing

what is going on through improved communications and how they fit into the overall success of the organization; gratified in realizing that others think their ideas are worthwhile.

We have also spent considerable time and money on employee development activities, both personal and technical. These are key to again empowering employees, and more importantly, letting them know they are a valuable asset, and really, the most important resource. Some of the other activities we have had to do to support our employees includes a variety of paid-for-training sessions in such areas as financial planning, how to become involved in your child's education, basket weaving, Inupiaq language, computer upgrade training, and paying for post secondary classes. In addition, we have a policy that allows mothers to bring their infant children to work with them until 6 months of age; we sponsor an Employee Assistance Program where employees can receive counseling for any type of problem they may be having; we have an active Employee Association that organizes all the fun social gatherings at the office, including Native feasts; we foster good morale by having monthly birthday parties to celebrate those employees whose birthdays fall in that month; we promote healthy lifestyles by sponsoring employees at such things as community Health Fairs. We also allow our facility to be used for after hour classes for such things as training our employees' children in self defense. I mentioned earlier the pre-hire orientation program. It is currently a four hour session that gets to the core of what causes dysfunction in Alaska's Natives, because of the impact it has in the workplace. We have had to implement a tough drug and alcohol policy, with pre-hire testing requirements, which the Board of Directors and all employees are required to take.

As part of our transition to a Deming-based quality company, we have learned the need for standards, accountability, taking responsibility, and data based decisions. The President, Chair of the Board, and key staff are as we speak conducting surveys in the villages to find out what their expectations are of NANA. We see ourselves as having several purposes; to make money in employment opportunity investments so we can fund the cultural preservation activities and protect the land. An interesting point here is that the shareholders see us as an extension of the government based dependency program and expect us to take care of everything from housing to medical transports to child care centers. Unfortunately, we too carry forth with the mentality of "Don't worry, we'll take care of you." So, you can see we were all brainwashed well.

We're attempting to increase the awareness statewide about these issues, and recently formed the Association of Alaska Native Corporation Human Resource Managers. We think the sharing of information on what works, what doesn't, who is available, will increase the number of Natives hired not only in our respective organizations, but with others as well.

With the expectation that NANA can take care of everything and everybody, we know our own limitations. We have grown from an original enrollment of 4,800 shareholders to about 8,500. We are one of three regions which elected to add children born after 1971. We cannot possibly employ everyone, so we began the regional partnership meetings to share this burden. We are looking at new economic development activities that are village based, recognizing their small size, remoteness, lack of business experience, and lack of infrastructure will make it difficult.

However, there are viable options which we know are working. We are looking at expanding our tourism activities, and are looking at information based opportunities. We are choosing not to get left behind.

So, getting the leadership of the various institutions and organizations, political and otherwise, to begin pushing the solutions to problems back to the village level is going to be critical if we are truly going to make headway in becoming self sufficient.

I haven't talked yet about our very successful Red Dog project and a special thanks to many of you who were instrumental in helping us get over the hurdles so we could develop the world class zinc deposit. With the recently announced additional 80+ million ton deposit, we can continue to expect many benefits from this project, including great paying jobs for at this time 250 shareholders, with an average annual salary of \$50,000; revenues to NANA to continue to fund our cultural projects; 7(I) revenues for other Native Corporations. This is truly an economic development project that can serve as another model in the world for responsible economic development. We have a structure in place with an all-village, Native committee whose responsibility it is to insure there is minimal or no impact to the environment and all the wild resources in the area. We have had to be concerned with beluga migrations and the huge shipping boats, the water bodies and Arctic char, the caribou and the road with the constant traffic hauling ore. After five years of production and several years before that of construction, we are proud to say that economic development activity has not had negative impacts on the wildlife. As one of our former Board members testified as we were preparing for Red Dog, "We are the original environmentalists." His message was clear that Alaskan Natives would not promote something that we were not comfortable would be OK to that which feeds us and is such a large part of us culturally.

There aren't other known Red Dogs in Alaska, but I would like to go on record that NANA supports development of ANWR for all the reasons stated above.

We have learned a few things in the 20+ years that we have become a semi-Westernized corporation. We've been stereotyped as being unreliable; we have placed individuals in positions they were not suited for; we have not learned about planning ahead and saving for that rainy day; we are not yet assimilated to a cash culture. But, we do know that productivity brings pride, and pride brings self esteem.

We know we have the mind boggling government structure that is fragmented, and needs to be reigned in to create a system that better serves people, and which we feel will be more effective once the government's self imposed walls and turfs are torn down. We know we have to figure out the how to's of implementing the recommendations - its ironic because I sense many of us are still waiting for someone to come in and tell us how to fix things.

But, because of the growing awareness and determination of Alaska's Natives to become well again, and be the loving, supportive families and communities we once were, we will get there

through a long and slow process.

We will identify the drum beaters for the importance of education, we will understand what commitment to making things happen means, we will create the partnerships necessary to have all of us moving in the same direction for the good of the whole, we will learn to give up power and authority to empower others, we will train our leadership to stop creating the dependencies, we will continue to teach what being responsible means, and we will be accountable.

We ask for your cooperation in these areas too.

Thank you again for the opportunity to share the Commission's findings with you.

SS/whb/11

**Senate Committee on Energy and Natural Resources
House Committee on Resources
Senate Committee on Indian Affairs**

**Testimony of Douglas M. Webb
Alyeska Pipeline Service Company
November 16, 1995 Washington, DC**

Introduction

Good afternoon, Messrs. Chairmen and Members of the Committees.

I am Doug Webb, Senior Vice President of Alyeska Pipeline Service Company. Alyeska is a corporation established to build and operate the Trans-Alaska Pipeline, an 800 mile crude oil pipeline that moves oil from Alaska's North Slope to the ice-free port of Valdez, where it is shipped to market by tankers. Alyeska is owned by seven pipeline companies. They are BP Pipelines (Alaska) Inc., ARCO Transportation Inc., Exxon Pipeline Company, Mobil Alaska Pipeline Company, Amerada Hess Pipeline Corporation, Phillips Alaska Pipeline Corporation and Unocal Pipeline Company.

Alyeska Pipeline is pleased to tell you about the opportunities for Alaska Natives on the Trans-Alaska Pipeline System (TAPS).

History - General

Oil was discovered in 1968 on Alaska's North Slope. To address the transportation issues associated with what has become North America's largest oil field, Congress passed the Trans-Alaska Pipeline Authorization Act in 1973.

As soon as the Act was signed, the TAPS Owners negotiated an Agreement and Grant of Right-of-Way with the U.S. Department of the Interior acting as agent for the United States. The Right-of-Way establishes a contractual relationship between the Owners of TAPS and the United States.

History - Section 29

In addition to the stipulations relating to safety and the environment, the Right-of-Way Agreement includes Section 29, titled "Training of Alaska Natives." It begins: "Permittees shall enter into an agreement with the Secretary [of Interior] regarding recruitment, testing, training, placement, employment and job counseling of Alaska Natives." The section goes on to address, in another 100 words or so, direction to the Secretary of Interior and the TAPS Owners regarding the make-up of this agreement.

During construction of TAPS, from 1974-1977, Alaska Native hire appears to have surpassed the employment goals set at that time by almost 100%. A study conducted by the University of Alaska, published in 1978, found that nearly 6000 Alaska Natives worked in over 75 job categories on the pipeline during construction. Clearly, our Native hire programs were successful during the construction era.

In late 1993, Alyeska conducted a thorough review of the programs established to meet the requirements of the Right-of-Way Agreement. We concluded that our program for Native hire under Section 29 was not as effective as we wanted it to be. A team of Alaska Native employees and human resources consultants at Alyeska was set up to identify and address specific areas for improvement.

This team worked for 8 months to develop a proposed new Native Utilization Agreement designed to be more effective for the "operations" era of TAPS to replace the original "construction" era Native Utilization Agreement. It was submitted to the Department of Interior in February 1995 for review and comment.

Negotiations between the Department of the Interior and Alyeska occurred over an additional 8 months. Alyeska also conducted extensive discussions with the Alaska Federation of Natives. On October 20, 1995, Alyeska President David Pritchard was joined by Assistant Secretary of the Interior Robert Armstrong in the signing of the new Native Utilization Agreement. We were pleased that this took place at the annual convention of the Alaska Federation of Natives in Anchorage.

I will now describe this unique agreement.

1995 Native Utilization Agreement

The objective of this new Native Utilization Agreement is to renew our efforts to find, recruit, train and advance Alaska Natives through jobs with Alyeska and principal TAPS contractors many of which are Alaska Native Corporations.

This program should not be confused with statutory or regulatory affirmative action programs. This program is based on the contract between the TAPS Owners and the United States established in the 1974 Grant of Right-of-Way.

Our long term goal is to have a workforce on TAPS made up of 20% Alaska Natives by 2004. Currently 8% of the TAPS workforce are Alaska Natives. The 20% is not a quota, but a goal to gauge the effectiveness of the program.

Alyeska has committed to spend more than \$2 million per year for 12 years to support the programs required to find, recruit, train and advance Alaska Natives. This will include at least \$750,000 per year in various types of scholarship programs. Additionally, Alyeska has committed to contribute \$6 million in the next 6 years to an educational foundation formed to improve opportunities for Alaska Natives.

Our focus will be in four areas:

- (1) jobs - direct hire of Alaska natives,
- (2) internships and other internal training opportunities available to current and prospective employees,
- (3) scholarships for Alaska Natives, and
- (4) other programs such as mentoring and counseling.

We don't presume to know yet how to overcome every obstacle we will face in reaching our goals. We will continue to work closely with the Alaska Federation of Natives and our Alaska Native Corporation contractors to achieve these goals. In addition, we will continue to consult with Congressional committees of jurisdiction and appropriate agencies of government.

I am pleased to introduce to you the recently appointed manager of Alyeska's Native Utilization program. She is Ms. Kathy Mayo, formerly the founder and Executive Director of the Doyon Foundation, an Alaska Native Non-Profit Corporation providing education and professional development services to Alaska Natives in Alaska's Interior region. She will be supported by Mr. Charles Hubbard, who will be the Native Utilization program Business Advisor. Mr. Hubbard is an Alaska Native who has worked as an operations technician for Alyeska since 1981. He is also the immediate past Chairman and CEO of the Ahtna Native Heritage Foundation. Ms. Mayo and Mr. Hubbard will be responsible for day-to-day implementation of the Native Utilization Agreement. We are fortunate to have two people with exactly the correct mix of skills, experience and connection to the Alaska Native community to lead our Native Utilization program.

Let me stress that no Alyeska employees will be laid off in order to meet the goals of the Native Utilization Agreement. However, we have analyzed the demographics of our current workforce and it indicates that we can expect a significant number of retirements throughout our organization over the next ten years. Alyeska intends to use the opportunities created by those retirements and normal attrition to increase Alaska Native hire as we implement the new Native Utilization Agreement.

Conclusion

This agreement represents the principles of respect and dignity Alyeska and the TAPS Owners hold for the Alaska Native Community. We look forward to a long, productive relationship with Alaska Natives; we know how important they are to the success of the Trans-Alaska Pipeline System.

This concludes my presentation. I have provided a copy of our 1995 Native Utilization agreement and request that it be included in the printed record of this hearing. I will be glad to answer any questions related to Section 29 and the Native Utilization Agreement at this time.



1835 SOUTH BRAGGWAY STREET ANCHORAGE, ALASKA 98512 TELEPHONE (907) 278-1811, FAX 285-8611, TELEX 265-8439

October 18, 1995

APSC Letter #95-3386-G

Bob L. Armstrong
 Assistant Secretary
 Land and Minerals Management
 Department of Interior
 1849 C Street, NW
 Washington, DC 20240

Dear Bob:

Attached for your approval is a new Native Utilization Agreement (NUA) to improve the effectiveness of Alyeska's Native recruiting program under Section 29 of the Federal Grant of Right of Way. As you know, we submitted a draft for your consideration on February 22, 1995. Since then, we have been actively engaged in discussions with concerned Native representatives and at your request, over the last eight months we have focused our discussions on reaching agreement with the Alaska Federation of Natives (AFN).

I am pleased to report that the attached cover letter and NUA were unanimously approved by the AFN Board on October 17, 1995. In addition and after AFN's endorsement, we talked to DOI officials on October 17 and 18, 1995 and made three changes to the attached NUA at their request.

The attached NUA requires a 3-year review with DOI of Alyeska's results and progress in meeting the goals and commitments set out in the NUA. Alyeska has no objection to AFN being included in a consultative role in the 3-year Section 29 review process between DOI and Alyeska.

We are pleased that you have agreed to approve the attached NUA and that you will be able to travel to Alaska this week so that the agreement can be signed in conjunction with the AFN Convention. We look forward to seeing you on Friday.

Sincerely,

Douglas M. Webb
 Sr. Vice President,
 Health, Safety, Environment and Corporate Affairs

DMW:pja

Enclosures

cc: Representative Don Young
 Senator Ted Stevens
 Senator Frank Murkowski
 Deborah Williams, BLM
 Tom Allen, BLM
 John Santora, BLM
 Jerry Brossia, JPO

Julie Kitka, AFN
 Owners Committee
 David Pritchard, APSC
 Mike Smith, APSC
 George Watson, APSC
 Karen Kilty, APSC
 APSC Government Letter File

95-065 ps



1835 SOUTH BRADAW STREET ANCHORAGE, ALASKA 98512 TELEPHONE (907) 278-1811 FAX 265-0611 TEL EX 255-641

October 17, 1995

Ms. Julie Kitka
 President
 Alaska Federation of Natives, Inc.
 1577 C Street
 Anchorage, AK 99501

Dear Julie:

The changes to the February 22nd NUA in the attached revision are all offered on the basis that the Alaska Federation of Natives (AFN) Board endorses in all respects the attached revision.

Alyeska will contribute \$1 million per year for six years to an AFN endowment fund (beginning in 1996) if the AFN Board endorses the attached version of the NUA in all respects, supports its acceptance by DOI, and agrees to the following requirements:

1. Alyeska's contributions to the AFN endowment fund are to be viewed positively and are not in any way to be tied to the past.
2. The endowment fund money will be spent in preparing Alaska Natives for oil industry jobs.
3. All AFN Board members will agree to stand with Alyeska on any historical Section 29 issues.
4. AFN will agree that if Alyeska performs its Section 29 obligations in good faith that AFN will support the finally agreed NUA during the 2004 Right-of-Way Agreement renewal process.

Further, subject to the foregoing conditions, Alyeska will contribute \$1 million over three years to support fundraising efforts for an AFN endowment fund and the trans Alaska Pipeline System Owners agree to support the AFN endowment fundraising effort by pro-actively participating in the steering committee for the AFN endowment fundraising for three years with a target of raising an additional \$20 million from third parties. Alyeska also agrees to provide an additional \$1 million to help offset fundraising costs if and when the fundraising efforts have succeeded in collecting a net \$10 million of the \$20 million target from third parties.

Ms. Julie Kitka, AFN
October 17, 1995
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For the considerations stated in this letter Alyeska, in transmitting its final proposed NUA changes to the DOI, will include in our cover letter to DOI that we have no objection to AFN being included in a consultive role in the three-year Section 29 review process between DOI and Alyeska.

We look forward to the agreement of the AFN Board with the attached NUA and the conditions in this cover letter on Tuesday, October 17th. Alyeska will then submit the attached NUA to the DOI for final review and approval.

Sincerely,



Douglas M. Webb
Senior Vice President
Health, Safety, Environment & Corporate Affairs

cc: Tom Allen
John Santora
Jerry Brossia
R. A. Malone
D.J. Pritchard
M.F. Smith
G.A. Watson

ALASKA NATIVE UTILIZATION AGREEMENT
Alyeska Pipeline Service Company

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SECTION 1. INTRODUCTION.

Section 29 of the Agreement and Grant of Right-of-Way for Trans-Alaska Pipeline (hereafter referred to as "Section 29") states:

29. Training of Alaska Natives

- A. Permittees shall enter into an Agreement with the Secretary regarding recruitment, testing, training, placement, employment, and job counseling of Alaska Natives.
- B. During construction and operation of the Pipeline System, Permittees shall conduct a pre-employment and on-the-job training program for Alaska Natives designed to qualify them for initial employment in connection with the Pipeline System and for advancement to higher paying positions thereafter.
- C. Permittees shall do everything practicable to secure the employment, in connection with the Pipeline System, of those Alaska Natives who successfully complete the Permittees' training program. Permittees shall inform the Authorized Officer of the discharge from such employment of each and every Alaska Native and of the reason therefor, in advance of such discharge whenever possible or, if advance notice is impossible, as soon thereafter as is practicable.
- D. Permittees shall furnish such information and reports concerning Alaska Native employment as the Authorized Officer shall require from time to time.

This agreement between Alyeska Pipeline Service Company (hereafter referred to as "Alyeska"), as agent for Permittees, and the United States Department of the Interior is made pursuant to Section 29 to establish appropriately funded programs to increase Alaska Native employment, training, and promotional opportunities. This agreement supersedes all previous agreements and is intended to improve the effectiveness of the program employed by Alyeska to fulfill Alyeska's obligations under Section 29. This agreement will remain in force for the duration of pipeline operations or until modified by the mutual agreement of Alyeska and the United States Department of the Interior.

This agreement is intended to further Alyeska's longstanding relationship with Alaska Native organizations, and particularly those located in the vicinity of the pipeline corridor. This agreement continues Alyeska's efforts, beginning prior to construction of the Trans-Alaska Pipeline, to ensure that Alaska Natives benefit from the economic development opportunities afforded by construction and operation of the Trans-Alaska Pipeline System. The programs established by this agreement are not intended to establish an affirmative action plan or quotas for Alaska Native employment. These programs instead serve to fulfill Alyeska's commitment to the United States, embodied in Section 29, and Alyeska's desire to afford employment opportunities for Alaska Natives, with recognition of the importance of emphasizing employment opportunities for Natives who reside in close proximity to the pipeline route.

Alyeska and the Department of the Interior agree to review this agreement at least once every three years to assess the programs and commitments contained herein. The first review will be accomplished on or before December 31, 1998. Subsequent reviews will occur on or before December 31 in three-year cycles thereafter.

This agreement will be implemented by plans and procedures appropriate to carry out the commitments contained in this agreement. Within six months of the execution of this agreement by Alyeska and the Secretary, Alyeska will prepare and submit to the Authorized Officer, an Initial Plan for Implementation (IPI) of the Section 29 Native Utilization Plan. The IPI will describe, in broad detail, the intended timing of the various programs and commitments in this agreement. The IPI shall be effective 30 days after it is formally submitted, unless the Authorized Officer objects in writing to all or a portion of the IPI in which case those portions which are unobjectionable shall be effective. Review of the IPI by the Authorized Officer shall in no way restrict or impede implementation of any portion of this agreement. The IPI will be prepared in consultation with the Authorized Officer to assure that Alyeska remains responsible for the details and successful implementation of this agreement and to assure that appropriate federal resources are available and in place to support realization of positive goals and intentions of this agreement.

Such implementation plan shall be consistent with the terms and conditions of this agreement. Approval of such plan by the United States Department of the Interior shall not be unreasonably withheld and shall not be conditioned on Alyeska agreeing to terms and conditions therein which are not otherwise consistent with this agreement.

The implementation of programs described by this agreement will be prioritized annually to adjust the program to Alyeska work force requirements and the availability of the Alaska Native work force. Alyeska will maintain the program described for Alaska Native employees for the life of this agreement.

SECTION 2. EMPLOYMENT GOALS.

In order to facilitate the measurement of the success and improvement of this program, it is the ultimate goal of Alyeska to increase its employment of Alaska Natives in regular, full-time positions to a level in the combined TAPS work force of Alyeska and its Designated Contractors (see Section 2.2) that is equivalent to 20%. This goal is based upon the original overall goal in the 1974 Native Utilization Agreement and was derived from the estimated percentage that Native Alaskans comprised of the total Alaskan civilian population.

The "combined TAPS work force" is defined as the total number of employees on the Alyeska payroll plus the total number of employees on the payrolls of the Designated Contractors performing work for Alyeska in Alaska measured on an agreed date each year.

It shall further be a goal of this Agreement that Alaska Natives will be employed at all levels throughout both the Alyeska organization and its Designated Contractor organizations.

The goals described in this agreement will be reviewed by Alyeska and the Department of the Interior in each three-year review, to determine whether the goals should be adjusted in light of then-available information including progress made during the review period, obstacles to implementation and other appropriate factors. The numerical goals, other than the spending commitment in 2.1, adopted in this agreement or in subsequent review periods are aspirational objectives and not contractual commitments or guarantees.

2.1 ALYESKA.

Alyeska will make good faith efforts to achieve the interim goals as stated herein as well as all future interim goals. As a measure of Alyeska's good faith efforts to reach these goals, Alyeska agrees that it will spend \$25 million over the 12-year period (to be spent at a rate of approximately \$2.1 million per year) from 1996 through 2007 in furtherance of Alyeska and its Designated Contractors reaching the ultimate employment goal of 20% Alaska Natives in the TAPS work force. As a part of this spending commitment during the period 1996 to 2007, Alyeska will target scholarship spending on an annual basis at a level of \$750,000. Performance under Section 29 will be measured by the

DOI based on Alyeska's continuing good faith efforts to meet the Section 29 commitments contained in this agreement.

Pursuant to the objectives of Section 29, Alyeska adopts the following interim goals for employment of Alaska Natives as a percentage of Alyeska's own work force, as of the year-end of the year identified:

	Aug 1995 Current <u>Estimate</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Managers/Supervisors	3	5	7	10
Professionals	3	5	7	10
Technicians	7	8	10	12
Clerical/Administrative	9	11	13	14

Attached as Exhibit 1 is an extension of these numerical goals through 2007 to indicate higher goals that might be reached in future years, in pursuit of the overall target. Actual goals in each 3-year period will vary on the basis of performance and other factors and will be developed in consultation with the Department of the Interior.

2.2 DESIGNATED CONTRACTORS.

For purposes of this agreement, a contractor shall be a Designated Contractor if that Contractor has at least 50 employees engaged full-time in work on TAPS within the State of Alaska under contract with Alyeska on a regular basis.

Contractors who are Designated Contractors at the time this agreement is executed will be required to have a Section 29 implementation plan approved by Alyeska within six months after execution of this agreement. Future Designated Contractors will be required to have an approved Section 29 implementation plan within six months after commencing TAPS-related work under contract with Alyeska.

Designated Contractors' Section 29 implementation plans will include average workforce employment goals for each of the succeeding three years, and will set objectives of employment of Alaska Natives as a percentage of the Designated Contractor's workforce at least equal to the minimum goal applicable to Alyeska at the end of the then-current three-year review period. Designated Contractors' goals will be a lump percentage without regard to job categories. Designated Contractors' Section 29 implementation plans will describe programs they will put in place to encourage success in meeting their employment goals, including internship, mentoring, counseling or other appropriate programs for Alaska Natives.

SECTION 3. RECRUITING AND PLACEMENT.

Alyeska will continue to implement a proactive program of recruitment, placement and employment to attract Alaska Native candidates to meet the employment goals. This program will match Alaska Native candidates to job vacancies based upon the existing or potential skill levels of the candidates and current organizational needs.

3.1 Recruiting Methods.

The Alyeska Human Resources Department will continue to be responsible for the ongoing implementation of a recruiting program. The recruiting program shall utilize both internal and external recruiting efforts to attract qualified candidates.

Alyeska will develop and maintain recruiting sources and establish affiliations to improve success in recruiting Alaska Native applicants for job vacancies at Alyeska.

External recruiting efforts will seek to attract Alaska Native candidates with particular focus in areas having a high degree of exposure to Alaska Natives such as trade and vocational schools; public and private colleges and universities; Alaska Native Regional and Village Corporations; minority organizations; local, state and federal government agencies; and community sources. External recruiting efforts will be conducted inside and outside of Alaska at Alyeska's discretion.

Alyeska will facilitate the development of a comprehensive computer database or roster of Alaska Natives qualified for employment in the oil industry, by funding 75% of the development cost, with the remaining 25% to be furnished by Designated Contractors, Native Corporations or other interested third parties. Development of the database will be overseen by Alyeska, with guidance from a joint steering committee composed of representatives of Alyeska and of those Designated Contractors and Native Corporations who make a substantial contribution, as determined by Alyeska, to the cost of development.

Alyeska will work cooperatively with the Designated Contractors to enhance the overall effectiveness of the recruiting effort. To the extent practical, Alyeska and Designated Contractors will share information gained through their respective recruiting sources and assist each other in efforts to identify viable candidates for training and/or employment.

3.2 Screening and Evaluations.

Alyeska will employ a screening and evaluation process to address "testing" referenced in Paragraph A of Section 29. Each applicant may be asked to verify their Alaska Native heritage and will receive a response from Alyeska notifying them of current and potential employment or educational opportunities.

3.3 Pre-employment Training.

In order to expand the recruiting effort, Alaska Native candidates who do not meet the entry level educational requirements for initial employment with Alyeska will be eligible for pre-employment training opportunities.

Alaska Native applicants who do meet entry level educational requirements and Alaska Native students who show promise and indicate an interest in Alyeska as an employer may be offered intern positions as a form of pre-employment training. Intern positions will be designed to provide potential employment candidates with on-the-job experience that will stimulate interest in and training for future employment.

SECTION 4. TRAINING PROGRAMS.

Alyeska will implement training programs designed to attract, develop, and maintain Alaska Native employees at all levels in the organization. Training programs will be designed to provide the necessary skills to meet entry level requirements, enhance the skills of existing employees, and provide expanded skills to allow employees to develop and advance.

Training programs for all Alaska Native employees who wish to participate will be defined in detail by the preparation of a Learning Contract. (See Section 4.2.)

Alyeska and its Designated Contractors will fund the training programs described in this agreement by annual cash disbursements projected and budgeted for each year.

4.1 Types of Training.

Alyeska will offer a comprehensive training curriculum to interested Alaska Native employees. Training opportunities will be identified soon after an Alaska Native's initial employment date and will be reviewed and updated annually by the Alaska Native employee in consultation with their supervisor and Alyeska training professionals. Training will be designed to meet the needs of their job or provide skills to encourage advancement and enhance individual or career potential. Training will be offered in the following areas:

- Leadership Training - Available to Alaska Natives who are in supervisory or managerial roles. This training is intended to improve the leadership abilities of existing managers and supervisors.
- Management/Supervisory Training - Available to Alaska Natives who are in supervisory or management roles or have been identified as candidates for management/supervisory roles and have exhibited the aptitude and interest to move into leadership positions.
- Technical Training - Available to Alaska Natives who perform technical jobs (such as operators, mechanics, electronics, drafting, etc.) or nontechnical personnel with an aptitude and interest to move into technical positions. Training includes programs designed to satisfy initial qualification requirements as well as training to maintain and increase proficiency.
- Safety Training - Available to all Alaska Natives in all job categories. Safety training will be specific to the requirements of each employee's job and is intended to provide safe working conditions for employees and the overall pipeline system.
- Regulatory Training - Available to Alaska Natives who have responsibility for performing work to meet regulatory requirements. Training includes programs designed to satisfy initial qualification requirements as well as refresher training.
- Communications Training - Available to Alaska Natives in all job categories. This training is intended to improve the business and personal communication skills of all employees in the organization.
- Basic Skills/Orientation - Available to all new Alaska Native employees. The training focuses on Alyeska processes, procedures and corporate culture and provides all employees with an awareness of basic safety issues and regulatory requirements.
- Professional Continuing Education - Available to Alaska Natives who are in professional assignments.

Training may be provided to Alaska Natives through internal training programs developed and delivered by Alyeska professional trainers; by consultants and professional trainers under contract to Alyeska including qualified Native Training Resources (profit

or non-profit); and through external vendors, schools and training institutions for specialty training programs. In addition, Alyeska will investigate apprenticeship programs (similar to the National Apprenticeship Program) to determine if such programs provide technical or vocational training opportunities that either stand alone or supplement Alyeska's existing Technician Progression Program. Designated Contractors who already participate in apprenticeship programs will be encouraged to continue these programs so long as they are a viable method to train Alaska Natives.

4.2 Learning Contracts.

The identification of the types of training to be provided and the planning and organizing of the training curriculum will be accomplished annually through the preparation of a Learning Contract for each Alaska Native employee. The preparation of the Learning Contract is an interactive process involving the employee, the employee's supervisor and Alyeska's training professionals, with input from the employee's mentor as appropriate (as described in Section 6.1).

Each year the Learning Contract will be updated for each participating Alaska Native employee taking into account previous training experience and identifying specific, prioritized training to enhance current job responsibilities and developmental training to allow and encourage professional advancement. An annual schedule of training events will be developed by the Human Resources Department and coordinated with the employee's supervisor to ensure adequate time away from work is available to attend training.

Alaska Native employees are responsible for participation in the preparation of the annual Learning Contract, successful completion of training classes and providing feedback to Alyeska concerning the effectiveness of the training received.

4.3 Responsibility for Training Success.

The responsibility for the success of the training program will be jointly shared between Alyeska and each Alaska Native employee participating in the program. Alyeska will plan and organize training curricula to suit the needs of each employee and qualify trainees to assume the responsibilities of the positions to which they and Alyeska agree are appropriate; make appropriate training personnel and facilities available; and supervise, manage, and monitor the training efforts to continuously improve the training process.

SECTION 5 DEVELOPMENTAL OPPORTUNITIES.

In addition to the formal training programs described in Section 4.0, Alyeska will also provide developmental opportunities for Alaska Native employees.

5.1 Loanee Program.

Loanee Programs for Alaska Native employees may be used to obtain specialized skills, training and unique experiences not available in the Alyeska system.

Targeted placements may include: Native Regional and Village Corporations, nonprofit corporations, Alliance Contractors, and other petroleum industry companies.

5.2 Intern Program.

Alyeska will implement an Intern Program for qualified Alaska Native employees seeking employment or advancement to higher positions.

5.3 Educational Assistance.

Alyeska provides educational assistance that is available to all employees, including Alaska Natives. The educational assistance program will reimburse Alaska Native employees up to 80% of the cost for pre-approved courses. Individuals may seek technical training, advanced degrees, degree completion, or a basic degree.

5.4 Scholarships.

When necessary to provide training or education of Alaska Natives to prepare them for initial employment or advancement to higher positions within Alyeska, Alyeska will provide a limited number of scholarships on an annual basis.

Alaska Natives who apply for scholarships must meet minimum requirements and agree to program stipulations. Scholarships will be granted at the sole discretion of Alyeska.

5.5 Educational Sabbaticals.

Alaska Native employees who have worked for Alyeska for at least two years may apply for unpaid educational sabbaticals to pursue degrees or further their professional development. Sabbaticals will be granted in accordance with Alyeska's Leave of Absence Procedure.

5.6 Secondary Support Programs.

Alaska Native employees who have worked for Alyeska for at least two years may apply annually for funds to support programs at their village or regional level that will assist Native students currently enrolled in secondary schools to develop skills that will help qualify them for entry level employment in the Alaska job market upon graduation. Alyeska will review all applications and may select some for funding. All Alaska Native employees who make an application for demonstration funds will be notified of those selected and the selection criteria. The selection of programs under this provision shall be the sole discretion of Alyeska.

SECTION 6. NATIVE EMPLOYEE SUPPORT.

Alyeska will provide Job Counseling and Mentoring Programs to Alaska Native employees, above and beyond the aforementioned recruiting, training and developmental opportunities.

6.1 Mentoring Program.

Alyeska will develop a formal Mentoring Program that will provide a mechanism for selected Alaska Native employees to be paired in a developmental relationship with an Alyeska mentor. The Mentoring Program, which will be coordinated with each employee's supervisor, will provide for personalized educational, professional and career developmental assistance to Alaska Native employees selected to participate in the Mentoring program. The Mentoring Program will be available to Alaska Native employees who are selected and who elect to participate in the program.

The Human Resources Department will have the primary responsibility for management, administration and implementation of the Mentoring Program.

6.2 Job Counseling.

Alyeska will provide a Job Counseling Program designed to assist all employees including Alaska Natives and their mentors. The Job Counseling Program will be coordinated by the Human Resource Department to provide counseling as a means of assisting employees with concerns or problems that may interfere with employment success.

6.3 Cross Cultural Awareness.

Alyeska will actively promote a cross-cultural work environment by providing cross-cultural training to every employee, including an understanding of Section 29 and Alyeska's long-term relationship with Alaska Natives, and by sponsoring

cultural awareness activities. Alyeska will promote and integrate positive images of Alaska Native culture in its decor and advertisements, and will sponsor, promote or participate in selected traditional Alaska Native cultural activities in the community.

6.4 Nondiscrimination.

Alyeska will maintain a work environment that is free from discrimination or harassment. Alyeska will promptly and fairly investigate and respond to allegations of discriminatory or harassing conduct. It remains each supervisor's and manager's duty to enforce Alyeska's Code of Conduct.

6.5 Termination/Notification.

Alyeska will use progressive disciplinary measures to afford employees every reasonable opportunity to correct deficiencies or job performance prior to termination. The Human Resources Department will review, in advance when possible, all proposed disciplinary actions or discharges of employees. No employee of Alyeska will be terminated for cause unless the termination occurs in accordance with Alyeska's Disciplinary Actions Procedure and subject to review by the Alyeska Business Practices Officer. "Cause" shall have the same meaning as in Alyeska's Disciplinary Actions Procedure. Until the established employment goals are achieved, Alyeska will make every reasonable effort to retain, retrain or transfer rather than lay-off Alaska Native employees during times of reorganization and/or reduction-in-force except those Alaska Natives who choose retirement or a severance package. Nothing in this agreement shall limit or otherwise affect Alyeska's ability to terminate any employee for cause including poor job performance. Designated Contractors' procedures for discipline and discharge of their employees will be a component of their Section 29 Plan.

Alyeska and Designated Contractors will inform the Authorized Officer in writing of the pending discharge and reason therefore of any Alaska Native employee working on TAPS, in advance of notification to the employee if possible. If advance written notice is not possible, immediate verbal notification will be provided if practicable and will be followed up in writing as soon as possible. Notification from Designated Contractors will not be required when Alaska Natives are terminated as a result of the normal completion, suspension, or stoppage of project work.

SECTION 7. MEASUREMENT OF PROGRESS.

Alyeska is in a declining mode of operations, and it is anticipated the total work force necessary to effectively operate

the system will be growing smaller as time passes. At the same time, the program described by this agreement will be attempting to place more Alaska Natives into the diminishing work force. As a result, the targeted employment goals and the methods used to measure compliance with these goals will need to be periodically adjusted to reflect the changing business needs.

Measurement of progress toward the overall goals of this program must recognize many factors and cannot be measured simply by counting the number of Alaska Natives employed at any one point in time. Although the success of the program will primarily be measured by the number of Alaska Natives employed, success (and credit towards achievement of the goals of Section 29) will also be measured by the number of Alaska Natives who may not be currently employed by Alyeska or a Designated Contractor but may be enrolled in an educational or training program. Similarly, the measurement approach must recognize current Alaska Native employees who are on loan to other organizations or are involved in career advancement programs intended to allow the employees to move up to higher job categories.

Measurement must also recognize Alyeska's efforts towards contribution to systemic educational programs. The annual expenditures under this provision will be made with the following priorities in mind: (1) jobs; (2) internships and training; (3) scholarships; and (4) community support.

In recognition of the above considerations, credit towards meeting the overall goals of this program will be measured in terms of employment, training and educational opportunities for Alaska Natives as follows:

1. Each Alaska Native on the Alyeska or Designated Contractor payroll during the year will count as a single employment opportunity on an agreed date each year. Those Alaska Natives employed for less than a full year will be counted based upon the portion of the year for which they are employed, even if they are not employed on the agreed date.
2. Each Alaska Native not employed but who receives a scholarship funded by Alyeska will be counted as an educational opportunity. Each educational opportunity will count as 1/2 credit of an employment opportunity. Credit will be given for the year the individual is enrolled in a training program regardless of whether or not the individual voluntarily resigns from the training program, is dismissed or refuses subsequent employment.
3. Each Alaska Native employee on loan to another organization or on sabbatical for purposes of career development or training will count as a single employment opportunity as

long as he or she remains an Alyeska employee on the agreed date that year.

4. Alaska Natives who are actively employed, have been identified as candidates for higher job categories, and are participating in training to allow them to move to the higher job category, will be counted as an additional employment opportunity for the portion of the year they are enrolled in the training.
5. Internships (internal and external) will be counted as a single employment opportunity. Summer internships will count as an employment opportunity for the pro rata share of the year that they are working as interns.
6. Each funding of a secondary support program and other systemic educational programs will be counted as a single employment opportunity in increments of \$30,000 expended.

Alyeska will develop a program of internal measurement to determine the effectiveness of the recruiting, training, loanee, and counseling efforts. Data will be recorded and management reports prepared on a periodic basis to establish trends in job retention, promotions to higher levels, annual performance evaluations, training effectiveness, and scholarship effectiveness. These statistics will serve as a measure of success of the overall program and can be modified to meet the changing needs of Alaska Natives, Alyeska, and its Designated Contractors.

If the three-year (e.g., 1998) goal identified in Section 2.1 above is not reached during the applicable year (e.g., '96, '97 and '98) Alyeska will make funds available during the following calendar year to create the number of additional educational or employment opportunities that would be required to fulfill the goal. Funds expended by Alyeska for this purpose will be counted toward Alyeska's overall commitment to spend \$25 million in funding on Section 29 between 1996 and 2007.

An Alaska Native who accepts an offer of benefits under a Voluntary Severance Program will continue to be counted as a single employment opportunity for a period of three years following the date of severance.

SECTION 8. MANAGEMENT/ADMINISTRATION.

Management and administration of the Alaska Native Utilization Program will be the responsibility of Alyeska's Human Resources Department. Alyeska will provide the resources reasonably necessary to implement this agreement, as provided

herein. An Alyeska employee in a position reporting to a Vice President will be accountable for the management of this program.

SECTION 9. ADVISORY BOARD.

Alyeska will establish an Advisory Board to provide advice and counsel regarding the operation of the program, assess the success of the program in achieving the agreed goals, make recommendations for change and improvement, and to further report annually to Alyeska management on the overall effectiveness of the program. The Advisory Board will include: representatives from Alyeska Management, Alyeska's Human Resources Department, Alyeska Alaska Native employees' representatives, representatives from Designated Contractors and external Alaska Native representatives from appropriate Native Organizations including AFN, ANCET and the four Alaska Native Regional Corporations whose lands adjoin the right-of-way.

The Advisory Board will meet on a quarterly basis. The agenda for each meeting will be developed by consensus. Alyeska will provide the Advisory Board with data and reports as required or requested by the Advisory Board to understand the overall progress of the program.

SECTION 10. PARTIES.

The sole parties to this agreement are Alyeska, as agent for Permittees, and the Department of the Interior. The parties hereto do not intend to create any rights under this agreement that may be enforced by any third parties for their own benefit or for the benefit of others.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of this 20th day of October, 1995.

UNITED STATES OF AMERICA

ALYESKA PIPELINE SERVICE COMPANY
Acting as Agent on behalf of:

AMERADA HESS PIPELINE CORP.
ARCO TRANSPORTATION AK, INC.
BP PIPELINES (ALASKA) INC.
EXXON PIPELINE COMPANY

MOBIL ALASKA PIPELINE COMPANY
PHILLIPS ALASKA PIPELINE CO.
UNOCAL PIPELINE COMPANY

By: Bob Armstrong
Honorable Bob Armstrong
Assistant Secretary of the Interior

By: David J. Pritchard
David J. Pritchard
President & CEO

EXHIBIT 1Hypothetical Extension of Goals
for Alyeska's Work Force

The following extension through 2007 of the goals identified in Section 2.1 is provided to show the possible effect of continued regular increases in Alaska Native employment. The projection does not take account of the possible revision or modification of Alyeska's goals during the three-year review process.

<u>Year</u>	<u>Alaska Natives as a % of Average TAPS Work Force Employment</u>
2001	16%
2004	20%
2007	20%

**ALASKA FEDERATION OF NATIVES, INC.
SOBRIETY MOVEMENT**

PUBLIC TESTIMONY

PREPARED FOR THE

SENATE ENERGY AND NATURAL RESOURCES COMMITTEE

HONORABLE FRANK H. MURKOWSKI, CHAIR

SENATE COMMITTEE ON INDIAN AFFAIRS

HONORABLE SENATOR JOHN McCAIN, CHAIR

HOUSE RESOURCES COMMITTEE

HONORABLE CONGRESSMAN DON YOUNG, CHAIR

WASHINGTON, DC

HEARINGS ON THE

ALASKA NATIVES COMMISSION REPORT Vol. I, II, III

Thursday, November 16, 1995

Friday, November 10, 1995

Greg L. Nothstine, AFN/SM Coordinator

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 - c. Events & number of sobriety signatures collected - last 9 months.
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- IV. 1994 Final Report Summary**

Separate Attachment: Three Copies of "Helping Sobriety Happen" Manual

TESTIMONY

GREG NOTHSTINE, COORDINATOR, AFN SOBRIETY MOVEMENT (AFN/SM)
THURSDAY, NOVEMBER 16, 1995

Messrs. Chairman, Members of the Committees, Ladies and Gentlemen:

My English name is Gregory Nothstine, my Inupiaq (Eskimo) name is *Tungwenuk*. I am testifying in my capacity as the Alaska Federation of Natives' Sobriety Movement (AFN/SM) coordinator, augmenting the testimony of Ms. Julie Kitka, AFN President, to the findings and recommendations of the Alaska Natives Commission Report.

In so doing, Messr. Chairmen, allow me to give you a summary to what the AFN/SM is. The AFN/SM is a campaign, self-supporting through the charitable contributions of individuals and businesses. Its mission is to encourage and support the sobriety movement already growing in Alaska, and to the reinforcement of a "lifestyle" with which thousands of Alaskans (if not millions of Americans) are already familiar, i.e., sobriety: a positive, healthy and productive way of life, free from the devastating effects of alcohol and drugs.

The AFN/SM's 18 member advisory council believes its campaign, not only mobilizes individuals and communities into taking joint ownership in a common solution to the problem of alcohol and drug abuse, but that the outline and fund-raising format is simple and duplicable enough, that it allows it the potential to become: fully self-sustaining without government subsidy.

For more on the AFN/SM's campaign, Messrs. Chairman, let me to refer you to a prepared packet of information attached to the back of this testimony.

Messrs. Chairmen, Ms. Julie Kitka, AFN President, has already eloquently outlined for you the history, findings and recommendations of the Alaska Native Commission's Report. My testimony is not so much a reiteration, as much as a representation, to the sentiments which have been expressed by many "Alaska Native" rural health & substance abuse prevention providers. Time and again, at one drug prevention seminar or another (e.g., sponsored mostly by government agencies), this aggregate group has expressed their frustration to the AFN/SM Council when it was first known as the "Alaska Native Blue Ribbon Commission on Alcohol and Drug Abuse. The essence of their frustration, I have *paraphrased* in the following paragraph:

"When ever we had a problem in our village (e.g., suicide, domestic violence, substance abuse) the government would have us deal with representatives of a particular profession, in order to help fix the problem. With good intentions, these warm-hearted and caring individuals would give us their "professional" diagnoses, introduce the latest in methodologies working well in other parts of the country, organize and hold seminars and classes on the subject matter, give us workbooks, and then leave. This has, more often than not, only lead to compounding the problem. Because what works in Detroit, or in the suburbs of New York or Los Angeles, does not work in the rural villages of Alaska. The reason why they do not work has become self-evident, they do little or nothing to validate, empower or incorporate our Native village people's lifeways, customs or traditional values."

This underscores most, if not all, of the underlying theme riddled throughout the findings and recommendations of the Alaska Natives Commission Report. The report, again, significantly underscores that a huge gap exists in the need for culturally relevant, or contemporary, approaches in dealing with the pervasive socio-economic and judicial problems Alaska Natives face.

In an effort to provide "culturally relevant" approaches, at least in dealing with substance abuse prevention, the AFN/SM, with the sponsorship of ARCO of Alaska, the Alaska Native Health

Board and the Indian Health Service (IHS), produced and published a manual in September, 1994, called, "*Helping Sobriety Happen.*" From this manual, I would like to share the following:

"For at least a decade, Alaska Natives have lamented the lack of information and materials that 'culturally and philosophically' approach the prevention of substance abuse. The purpose of HELPING SOBRIETY HAPPEN is to fill this gap. The manual is designed with village-based service providers in mind, recognizing that Alaska Natives respond better to prevention models which reflect their cultural mores and traditions. It is hoped that, armed with this manual, Native and non-Native providers serving Native communities will increase their knowledge of methods and models that can be successfully applied to Alaska Natives, whether they are in treatment centers, in neighborhoods, or in villages."

Messr. Chairmen, here is a copy of the manual for anyone who may be interested in reviewing its contents.

In summation, Messr. Chairmen, the Alaska Natives Commission Report, is a historic and phenomenal document. Before this three volume report, we, Alaska Natives, have had to bear with dealing and viewing ourselves through the eyes of ethnocentric interpretations, studies, and diagnoses, of an alien culture, whose social structure and government -- well founded in the perpetuity of human rights and US Constitution -- has inadvertently, in some areas, been working contrary to, and to the demise, of Alaska Natives. Through the Alaska Native Commission's Report, Alaska Natives, for perhaps the first time, have had the collective opportunity to document, take inventory, and share their own prospective on what historically has occurred and been effecting them ever since the first contact was made with the western world.

This report pays homage to the perseverance, collective spirit, tolerance, and gentle demeanor of Alaska's Native People. Notwithstanding, it should serve as notice to all policy makers in government, that Alaska's Native people cannot continue to tolerate any further injustice or

inequality, when it comes to their being "managed" by the duties, services and trust responsibilities of government.

Recently, the delegates to the 29th Annual Alaska Federation of Natives Convention, passed another resolution (95-36) asking "that the State of Alaska make it an immediate priority to augment the recommendations of the Alaska Natives Commission (Report) as outlined in its First Volume... to reduce the causes and obstacles in preventing alcohol and drug abuse... ." A copy of this resolution can be found in the packet of information on AFN/SM, along with another resolution (95-55) proclaiming the month of "March 1996" as Sobriety Awareness Month (SAM).

Messr. Chairmen, it has been an honor for me to make this testimony before you here today. On behalf of the Alaska Federation of Natives, the AFN Sobriety Movement Council, and the thousands of men, women and children, whose signatures will travel 1,049 miles on Alaska's own historic Iditarod trail, I thank you all for your time and attention.

Attachment:

ALASKA FEDERATION OF NATIVES, INC. SOBRIETY MOVEMENT

NARRATIVE

Campaign

The AFN/SM is a self-supporting campaign whose mission is to encourage and support the growing sobriety movement in Alaska.

Charter Groups & Honor Societies

Becoming an AFN/SM *Charter Group -or- Honor Society* is easy, e.g., any student council, village council, business, corporation, city, etc., can join. All any group has to do is pass a resolution, which adopts: a) AFN/SM's goals; b) AFN/SM's definition of *Sobriety*; and c) pledges to host "at least" one annual sober (drug-free) celebration, and turn it into AFN/SM.

Sobriety Pledge Signatures: 50,000 in 1995/96

Once a group has become an Charter Group -or- Honor Society, the biggest and most important job they will do, is help AFN/SM collect signatures for sobriety (i.e., through AFN/SM's Sobriety Pledge) using a petition like sign-up sheet; mailing them to AFN/SM before the end of the third week in the month of February. .

The Iditapledge: AFN/SM's Largest Fund-raiser

One of the benefits of being (or becoming) an AFN/SM Charter Group -or- Honor Society (CG/HS) is participating in one of AFN/SM's largest annual fund-raisers, i.e., the *Iditapledge for Sobriety*. The process is, again, easy. The only requirements¹ for doing so, are the following:

1. Collect sobriety pledge signatures from individuals in your respective community;
2. Mail or fax signatures to AFNSM Headquarters, on or before the third weekend in February, so that they can be put on to micro-film and given to a drug-free Alaska Native, who will then take up to Nome -- 1,049 miles -- in the annual Iditarod Sled Dog Race;
3. Invite local and regional residents (e.g., who signed the sobriety pledge through your group) to pledge a penny (.01c) for every mile their signature will be carried on the Iditarod trail; extend an invitation to all of your local and regional businesses* to show their support by pledging a nickel (.05c), up to a dollar, for every mile the signatures collected by your group get carried on the Iditarod trail (again, that is 1,049 miles x \$0.00c);

*FUNDS ACCEPTANCE POLICY STATEMENT: AFNSM's Council fund-raising policy *does not include accepting any contributions, whatsoever, from the liquor industry, i.e., bars, liquor stores, bartender or waitress associations. The AFNSM Council believes this is self-defeating message, and asks that all CGHS's respect this policy and follow suite.*

4. Report the total amount of contributions received (i.e., including those not yet received, but pledged) to AFN/SM Headquarters. On a sliding scale: Share a minimum of ten percent (10%), to a maximum of twenty-five percent (25%) of the funds your respective group generates from using AFN/SM's *Iditapledge for Sobriety* fund-raising campaign.

¹ **IMPORTANT:** AFN/SM is organized under the Alaska Federation of Natives Foundation, a 501(c)3 non-profit organization, all contributions made toward the AFNSM, and only the AFNSM, are tax deductible. All CGHSs, not organized under a non-profit (tax exempt) organization, are encouraged to secure the support and cooperation of one to receive contributions on their behalf, so that, any contributions received can have the benefit of being tax deductible.



Alaska Federation of Natives *Sobriety Movement

*SOBRIETY PLEDGE

As an *Alaska Native* or *Concerned Individual*, I do hereby claim the goals of the AFN Sobriety Movement as my own: "1) To encourage and support alcohol-free and drug-free Alaska Native families; 2) To encourage the practice of traditional Native values and activities; 3) To cooperate and support existing groups working to promote sobriety among Alaska Natives; 4) To encourage the formation of sobriety groups in every Alaska Native community; 5) To encourage and support sober Alaska Native leaders and role models." If we, *Alaska Natives* or *Concerned Individuals*, are to remain a healthy distinct nation it will be because I took a stand against the elements which weaken and destroy our values, our languages and our spirits. If our spirits are to remain strong and sober, it has to begin somewhere.

LET IT BEGIN WITH ME!!

**ALASKA FEDERATION OF NATIVES, INC.
SOBRIETY MOVEMENT**

Events & Current Sobriety Pledge Count

1. Annual School of Addiction Studies (Anch.)	110
2. Northern Lights Recovery Center Staff (Nome)	6
3. Drug Enforcement Administration & National Coaches - Athletic Association Conf. (Tucson, AZ)	40
4. Rural Providers Conf./World Eskimo-Indian Olympics (Bethel/Fbks)	404
5. NSHC Youth Rally on Prevention (Nome)	94
6. National Indian Child Care Development Conf. (Seattle)	152
7. National Council on Alcoholism Conf. (Anch.: Aug '95)	44
8. North Slope Borough Tour (8 Villages - Sept. 13 to 20)	444
9. AFN Convention	1786
TOTAL	3,082

AFN/SM CHARTER GROUP/HONOR SOCIETY
MEMBERSHIP RESOLUTION

Resolution # ___

- TITLED:** Name of Organization pledges to the success of AFN Sobriety Movement (AFN/SM) and its mission to restore the spirit and honor among Alaska Natives weakened by substance abuse.
- WHEREAS:** Substance abuse (alcohol/drugs) has become the gateway to the myriad social health problems facing Alaska Natives, and others concerned, disrupting families and communities; and
- WHEREAS:** The social services industry has expanded resources in Alaska to help Alaska Natives, and others concerned, to cope with and alleviate the problems and symptoms of substance abuse, yet the problems and symptoms are still widespread; and
- WHEREAS:** Through AFN's Convention resolution process, Alaska Natives have recognized, time and again, that alcohol and drug abuse is a pervasive and immediate health threat, AFN's Board established the AFN Sobriety Movement as a permanent, self-supporting program, to encourage and support the grassroots sobriety movement growing among Alaska Natives; and
- WHEREAS:** Governor Tony Knowles, the 19th Alaska State Legislature and the AFN Board of Directors, have declared the month of March as "Sobriety Awareness Month", AFN/SM openly invites all AFN member organizations, and third party organizations, to support AFN/SM in promoting sobriety as a lifestyle worthy of pursuit and practice by becoming a Charter Group/Honor Society of AFN/SM; and
- WHEREAS:** Over 50 AFN/SM Charter Groups/Honor Societies already exist, the only requirements for become an AFN/SM Charter Group/Honor Society are to: i) adopt AFN/SM's goals, ii) AFN/SM's definition of sobriety, iii) host at least one annual meeting, festival or celebration, in any respective community or region, which focuses or campaigns on the merits of sobriety; and
- WHEREAS:** The AFN/SM Council have found the merits of sobriety to be the following, it: a) Improves the quality of life and health of individuals, families and communities; b) Reduces the incidence of alcohol and drug related crimes; c) Reduces the burden on government to exhaust its resources on the problems and symptoms of substance abuse.

NOW THEREFORE BE IT RESOLVED That the Board of Directors of Name of Organization hereby adopt the goals of AFN/SM: 1) To encourage and support alcohol-free and drug-free Alaska Native families; 2) To encourage the practice of traditional Native values and activities; 3) To support existing groups working to promote sobriety among Alaska Natives; 4) To encourage the formation of sobriety groups in every Alaska Native community; 5) To encourage and support sober Alaska Native leaders and role models; and be it

FINALLY RESOLVED That Name of Organization adopts AFN/SM's definition of sobriety: *a positive, healthy and productive way of life, free from the devastating effects of alcohol or drugs;* pledge to host at least one annual meeting, festival or celebration which focuses or campaigns on the merits of sobriety so that the people we respect and honorably serve in our (chase one) community/region/corporation will consider sobriety as a lifestyle worthy of pursuit and practice.

Enacted by the (Name) Board of Directors in (City) by a ___ to ___ vote, this ___ day of ___, 199___.

PRESIDENT

ATTEST: _____
SECRETARY

AFN Sobriety Movement Charter Groups & Honor Societies*

1. Alaska Native Health Board
2. Alaska Statewide Native Youth Leadership Conference
3. Alaska Village Electric Co-operative
4. Ambler Advisory School Board
5. Anchorage Assembly
6. Arctic Slope Regional Corporation
7. Arctic Winter Games Corporation of Alaska (Team Alaska)
8. Anvil Mt. Correctional Center (Native Culture Club)
9. Alaskans for Drug-Free Youth Statewide Board
10. Bristol Bay Native Association
11. Bristol Bay Native Corporation
12. Bristol Bay Area Health Corporation
13. Central Council - Tlingit & Haida Tribes of Alaska
14. Partnership for a Health Community (Anch.)
15. Chilkoot Indian Association (IRA)
16. Cook Inlet Tribal Council
17. Cook Inlet Pre-Trial Facility (Native Culture Club)
18. Dillingham Beaver Round-Up Festival Association
19. Elim IRA Council
20. Eyak Tribal Council
21. The Eskimo-Indian-Aleut Publishing Co. (Tundra Times)
22. Fairbanks Native Association
23. Fairbanks Correctional Center
24. Golovin Native Corporation
25. Governor's Advisory Board on Alcohol & Other Drugs
26. Heartbeat Alaska
27. Highland Mt./Meadow Creek Correction Center (Native Culture Club)
28. Kawerak, Inc.
29. Kodiak Tribal Council
30. Ketchikan Correctional Center (Native Culture Club)

*Passed AFN/SM's Resolution "Draft" for become a Charter Group or Honor Society.

31. Levelock Village Council
32. Lemon Creek Correctional Center (Native Culture Club)
33. MTNT Limited
34. Maniilaq Association
35. National Family Partnership for Drug-Free Youth
36. NANA Regional Corporation
37. Nome Native Youth Leadership Council
38. Norton Sound Health Corporation
39. New Stuyakhok Traditional Council
40. North Slope Celebration of Sober Life Movement
41. Old Harbor Tribal Council
42. Ouzinkie Tribal Council
43. Pt. MacKenzie Rehabilitation Center (Native Culture Club)
44. Palmer Correctional Center (Native Culture Club)
45. Qinarmiut Corporation
46. Qawalangin - Tribe of Unalaska
47. Safe & Fear Free Environment (S.A.F.E.)
48. Sitka Natives for Sobriety (Alaska Native Brotherhood Camp #1)
49. Spirit Days, Incorporated
50. Sitka Alliance for Health
51. Shishmaref Sobriety Club
52. Spring Creek Correctional Center (Native Culture Club)
53. St. Paul Island High School Student Council
54. Tanana Chiefs Conference, Incorporated
55. Wildwood Correctional Center (Native Culture Club)
56. World Eskimo-Indian Olympics
57. Yukon-Kuskokwim Correctional Center (Native Culture Club)
58. Yukon-Kuskokwim Health Corporation

PROJECTED 1996-97 AFN/SM "CAMPAIGN" BUDGET*

Fiscal Year Starting April 1, 1996 to March 31, 1997)

DRAFT

Projected Budget Target.....(for 12 month period).....\$104,900.00¹

Fixed Salary Expenses (65%)

Salary(1):	\$30,000.00 @ est.	\$2,500.00 a month
Salary(2):	\$25,000.00 @ est.	\$2,083.33 a month
Benefits(1):	\$7,200.00 @ est.	\$600 a month (\$7,200 annual @ 24% of Gross Salary)
Benefits(2):	\$6,000.00 @ est.	\$500 a month (\$6,000 annual @ 24% of Gross Salary)
Sub-Total:	<u>\$68,200.00</u>	

Balance.....\$36,700.00

Fixed Office Expenses (8%)

Rent:	\$2,640.00 @ est.	\$220 a month
Accounting:	\$480.00 @ est.	\$40 a month
Postage:	\$2,700.00 @ est.	\$225 a month
Ph/Fax:	\$2,400.00 @ est.	\$200 a month
Sub-Total:	<u>\$8,220.00</u>	

Balance.....\$28,480.00

Elastic Printing Expenses (3%)²

Ltrhead/Env.:	\$1,500.00
Brochures:	\$1,000.00 (AFN/SM)
Brochures:	\$1,000.00 ('97 Iditapledge for Sobriety Campaign)
Bus. Cards:	\$300.00
Sub-Total:	<u>\$3,800.00</u>

Balance.....\$24,680.00

Elastic Advertising & Novelty Item Expenses (24%)³

Newsprint	\$3,000.00 (average. \$250 a month, e.g., rural newspapers, i.e., Tundra Times & ANI)
PSA Dvlpt.	\$2,000.00 (Sound-bites for major holidays, e.g., Easter, July 4th, Thx Giving, Christmas, etc...)
Video Dvlpt.	\$5,000.00 (e.g., welcoming delgts. '96 AFN Convention, '97 SAM)
Spirit "Pins":	\$7,500.00
Ribbons:	\$2,500.00
Sobriety Pens:	\$2,500.00 (souvenir for sobriety pledge signatures at '96 AFN Convention)
Misc.:	\$2,180.00
Sub-Total:	<u>\$24,680.00</u>

Balance.....\$0

Projected Grand Total of Expenses.....(for 12 month period).....\$104,900.00

¹ Projection determined by the aspiring goal of securing 100 private sector businesses (in-state, as well as out of state) to participate in AFN/SM's *Iditapledge for Sobriety Campaign* (i.e., pledge \$1.00 for every mile signatures for sobriety travel in the sled of an Iditarod Sled Dog Musher, 1,049 miles, to Nome, Alaska).

² Will increase or decrease contingent upon revenues generated

³ Same as above (footnote 2)

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SOBRIETY MOVEMENT
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¹AFNSM CHAIRMAN
²AFNSM VICE CHAIRMAN
³AFNSM TREASURER
*Revised October 31, 1995

ALASKA FEDERATION OF NATIVES

1995 ANNUAL CONVENTION

RESOLUTION 95-36

- TITLE: KEEPING SOBRIETY IN THE PUBLIC DOMAIN; IMPLEMENTING INTO ACTION THE ALASKA NATIVES COMMISSION'S RECOMMENDATIONS
- WHEREAS: The Alaska Federation of Natives (AFN) created the AFN Sobriety Movement (AFN/SM), its council, whose mission is "...to encourage and support the growing sobriety movement in Alaska..."; and,
- WHEREAS: the cornerstone of AFN/SM's success is its Council's definition of the term, sobriety, i.e., a positive healthy and productive way of life, free from the devastating effects of alcohol and drugs; and,
- WHEREAS: the Court system is burdened with dealing with alcohol and drug abuse related cases has, time and again, remanded problem drinkers and drug abusers to rehabilitation treatment programs, and sentenced many into mandatory attendance of Alcoholics Anonymous or Narcotics Anonymous meetings, as a means of introducing same to the "lifestyle" or "concept" of sobriety; and,
- WHEREAS: the State of Alaska has received millions of dollars for the purpose of preventing alcohol and drug abuse, its programs have not been effective in reducing alcohol and drug abuse among Alaska Natives, e.g., Alaska Natives make up one-third of the State's prison population, and unfortunately, statistically lead in other areas and social ills related to alcohol and drug abuse; and,
- WHEREAS: it has been the determination and summation of the Alaska Natives Commission that "Alaska Natives are the only ones who can (should) facilitate and solve their own problems".
- NOW THEREFORE BE IT RESOLVED by the delegates to the 1995 Annual Convention of the Alaska Federation of Natives, Inc, that the State of Alaska make it an immediate priority to augment the recommendations of the Alaska Natives Commission as outlined in its First Volume, i.e., 1) Meeting Basic Social Needs; 2) Meeting Basic Law Enforcement & Judicial Needs; 3) Meeting Basic Physical & Behavioral Health Needs, to reduce the causes and obstacles in preventing alcohol and drug abuse; and,

BE IT FURTHER RESOLVED that the State of Alaska adopt and publicly acknowledge that the concept and lifestyle of sobriety (as defined by AFN/SM) is in the public's interest and belongs in the public domain of the state's responsibility to educate and promote the social well-being of its citizens; and,

BE IT FINALLY RESOLVED that the DELEGATES to the 1995 Annual AFN Convention make it their respective and mutual responsibility to implement into action those activities which further the cause of educating and promoting sobriety (as defined by AFN/SM) to their constituents, with or without government subsidies, for the purposes of augmenting those respective recommendation's outlined above, under the Alaska Native Commission's report.

SUBMITTED BY: Alaska Federation of Native Sobriety Movement
Council

COMMITTEE RECOMMENDATIONS: Do Pass

CONVENTION ACTION: PASSED



ALASKA FEDERATION OF NATIVES

1995 ANNUAL CONVENTION

RESOLUTION 95-55

- TITLE: RESTORING THE SHARED STRENGTH OF SPIRIT AMONG ALASKA NATIVES, ALASKA'S CITIZENS
- WHEREAS: The *SPIRIT* of a individual, a family, and a community, is a summation of respective virtues, loyalties and sacred traditional rites, *SPIRIT* adds meaning to life and sustains the solidarity of a respective culture or society; and,
- WHEREAS: the *SPIRIT* of Alaska Natives has long been strong and unique, supported by deeply rooted cultural ties to the land, air, water, and animals, has and continues to keep Alaska Native individuals, families, and communities, healthy, happy and whole; and,
- WHEREAS: the *SPIRIT* of Alaska Natives has been crippled, wounded and battered by disease, forced acculturation, government dependency, and the abuse of alcohol and drugs, has left generations of Alaska Native people feeling physically and emotionally traumatized; and,
- WHEREAS: the AFN Sobriety Movement (AFN/SM) recognizes its been the resilient *SPIRIT* of Alaska Natives that has sustained and shaped their respective cultures, are the only ones who can heal the scars left by the multiple trauma experiences they have endured; and,
- WHEREAS: the AFN/SM Council recognizes the biggest obstacle in the way of Alaska Natives' healing their respective and collective strength of *SPIRIT* is the abuse of alcohol and drugs; and,
- NOW THEREFORE BE IT RESOLVED, by the delegates to the 1995 Annual Convention of the Alaska Federation of Natives, Inc., for all AFN member organizations make a priority to perpetually educate and promote sobriety to their constituents, highlighting sobriety's merits: a) improves the quality of life and health of individuals, families and communities; b) reduces the incidence of alcohol and drug related crimes and problems; c) helps to reduce the burden on government(s) to exhaust their resources on having to pay for the pervasive social ills and problems caused by alcohol and drug abuse; and,

BE IT FURTHER RESOLVED that the delegates to the 1995 Annual AFN Convention proclaim "March 1996" as *Sobriety Awareness Month (SAM)* and invite Governor Tony Knowles and the 19th Alaska State Legislature to, again, do the same, in honor of the thousands of Alaskan's (Native and Non-Native) whose sobriety pledge signatures will travel on the Iditarod trail in the sled of Athabascan Iditarod Musher Remy Brooks in March 1996; and be it,

FINALLY RESOLVED that supportive individuals, families and communities, public and private agencies, plan and hold activities of their own choosing, in recognition of the month of *SAM* and in honor to the thousands of men, women and children who are doing their part to support the above mentioned merits of sobriety, and celebrate the healing and restoration of the collective strength of *SPIRIT* of Alaska's first people.

SUBMITTED BY: Alaska Federation of Natives Sobriety Movement
Council

COMMITTEE RECOMMENDATIONS: Do Pass

CONVENTION ACTION: PASSED



S U M M A R Y

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A F N S M ' s

1 9 9 4 F I N A L R E P O R T

(ALASKA STATE GRANT 94-10-F-1-14)

&

L O N G R A N G E P L A N

B Y

**GREG L. NOTHSTINE
AFNSM COORDINATOR**

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 - ii. Alaska Native Commission Report Recommendations**
 - iii. Message to AFN Convention and AK Native People
"A Call to Action: Taking Community Responsibility"**
 - iv. Final Report: "A Call to Action..."**

**AFN SOBRIETY MOVEMENT SUMMARY
of 1994 FINAL REPORT:**

The AFN Sobriety Movement (AFNSM) has successfully maintained its mission from the seed money grant which it received from the State of Alaska; developing a *simple, duplicable* and *self-sustainable* program-skeleton which, e.g., villages, school boards & student councils, profit & non-profit corporations and boroughs, etc., can engage in and support those who are either already or becoming ready to do their part through sobriety, and conducive to the following ABC's:

- a) *Improve* the quality of life and health for individuals, families and communities;
- b) *Reduce* the incidences of alcohol and drug related crimes by living a life of sobriety;
- c) *Reduce* the burden on local, state and federal governments in exhausting their resources by paying for the symptoms which are caused by alcohol and drug abuse.

This success has led to a more serious understanding to the inherent, yet developing, role for which AFNSM will ultimately be involved, that is:

- 1) to *alter* the consumer behavior of Alaska Natives, as it relates to alcohol and/or drugs;
- 2) to *decrease* the demand for alcohol/drugs among Alaska Natives;
- 3) to *reinforce* changes in consumer behavior, i.e., decreased demand for alcohol/drugs, by citing culturally relevant activities conducive to sobriety: *"A positive, healthy and productive way of life, free from the devastating effects of alcohol and drugs."*

The *sobriety movement*, as we know it, is not limited to just AFNSM. It is by far much bigger and broader than perhaps what anyone envisioned. The *sobriety movement*, per say, can be construed as the embodiment of millions of men, women and children, throughout the US, Canada and Russia, who enjoy living free from the devastating effects of alcohol and drugs, and who exercise, by their own volition, every prerogative to sustain a *lifestyle* conducive to what AFNSM refers to as - Sobriety.

A great deal of credit must be given to the Alaska Federation of Natives, Inc., for being the very first private organization in the nation to name a program after the solution, i.e., *sobriety movement*, with sobriety being the optimum word giving reference to a particular lifestyle! Having a program named after the solution has empowered AFNSM, its Charter Groups & Honor Societies, to maintain a unified focus -- WE KNOW WHAT THE PROBLEM IS -- only by focusing on the solution (positive), and encouraging and supporting those who are already, or getting ready, to live a life of sobriety, can we overcome the pervasive and symptomatic problems of substance abuse.

The AFNSM 1994 Final Report raises some very poignant points which cannot fully be described or appreciated in this summary. However, I have numerically bulletined some points of the report which I hope can easily serve, not only as postulates, but capture the reports essence:

1. The "sobriety movement" is the embodiment of the collective efforts of every prevention program, public or private, working toward the goal of eliminating substance abuse. In this united effort they stand, encouraging and challenging people to care enough about themselves, their families and their communities, to live a positive, healthy and productive way of life, free from the devastating effects of alcohol/drugs.
2. Challenging the principles and integrity of Alaska Natives' leadership to alter their consuming behavior - as it relates to alcohol - is nothing short of political suicide, and is not to be taken lightly; nor, are the consequences if their consuming behavior is not confronted. (The essence of servant leadership is humility, not humiliation. Humility is *knowing* your place in the world; humiliation is having someone else put you there.
3. The existence of AFNSM is justified and necessary, it is vitally important! This could not have been proven more true than when the Alaska Natives' Commission Report (ANCR) was released in May of 1994 (equally true when AFN delegates passed resolution 94-29). There are several recommendations in Volume I of the ANCR which justify the existence and activities of AFNSM under: *Meeting Basic Social Needs* - Recomm. 2, 3 & 4; *Meeting Basic Law Enforcement & Judicial Needs* - Recomm. 5; *Meeting Basic Physical & Behavior Health Needs* - Recomm. 2 & 5.
4. After reading Volume I, of the ANCR, it becomes a foregone conclusion that consuming alcohol is a *learned* behavior, one which Alaska Natives have had the misfortune of assimilating themselves into these last 200 years. ... Where it was once common place for Alaska Natives to use their own customs and traditions to celebrate, or cope, with life's daily ups and downs. e.g., recreation & social settings, holidays, weddings, hunter success or death, etc.,. Consuming alcohol (or drugs), and the subsequent related activities (and behaviors) related to its consumption, has become the cultural medium for these events. Anymore, events like these are gradually becoming mere excuses to consume alcohol (drugs) to "enhance" or "cope" with whatever situation is at hand; this has led to the omnipresent social drama of compounded problems presently played out in Native peoples lives today.
5. By virtue of the gross statistics and circumstances outlined in the ANCR, relating to alcohol abuse, infers that we, Alaska Natives, are abusive "*consumers*" of a commodity made and sold by the liquor industry. It cannot be overemphasized, here, that we are "*consumers*" of alcoholic beverages, and that we are responsible for the perpetuation of a sub-culture (at the expense of our own culture) driven by alcohol consumption; prospectively, we exhibit distinct and predictable behavioral characteristics as consumers of this commodity (alcohol).
6. Through historical analysis, it can be deduced that two complimentary growth industries are thriving off of the abusive (alcohol) consuming behavior of Alaska Natives: 1) the Health & Social Services Industry and 2) the Corrections Industry. Through no fault of their own, these industries are complimentary because a proportional relationship exists between the amount of alcohol abused by Alaska

Natives to the amount of services administered by them to Alaska Natives -- the more alcohol is abused by Alaska Natives, the more services they administer.

7. In a hearing in May of 1994 before the US Consumer Subcommittee - Committee on Commerce, Science, and Transportation (a committee Senator Ted Stevens sat on) Cornell University Law Professor Steven H. Shiffin gave a written testimony on Senate Bill 674, "*The Sensible Advertising and Family Act.*" In Professor Shiffin's written testimony he provides a simple supposition which merits attention, that is, "*It is entitled to assume that if fewer people consume alcohol, fewer people will abuse alcohol.*"
8. AFNSM's mission is to encourage Alaska Natives to consume less alcohol, and to do so, AFNSM has had to understand the perimeters of the simple economics equation of the law of *Supply & Demand*, and to debate both sides of the issue. Based on the laws of "supply" and "demand," and the law of averages in consumer behavior, it is presumed that if there is a *decrease* in consumer demand for a commodity (alcohol), incentives to supply that commodity will correlatively decrease. However, if consumer demand for a commodity is high (even if it is illegal) an "economy of scale" will develop -- whereby anyone willing to take the economic risk (legal or illegal) of supplying said commodity will do so in order to satisfy and meet the consumer demand for that commodity -- and so supply will either increase, remain constant or decrease, pending the behavior of consumers' demand for said commodity.
9. Any approach which attempts to *regulate* or *limit* the supply of alcohol through, e.g., taxation, ordinance or severe penalty, are necessary first steps which Native communities need take heed of and consider implementing (with extreme prejudice) where alcohol abuse is a severe problem. However, it can be argued that, although these approaches produce positive and immediate results, they are merely short-term social Band-Aids to a long-term problem because alcohol is a commodity that is not necessary driven by *limited* and *regulating* its supply, but by *consumer demand*. Case in point: "Dry" villages still exhibit problems associated to alcohol abuse.

NOTE: Native communities have to prudently weigh the long-term consequences of *regulating* and *limiting* the supply of alcohol. Being mindful that such approaches can create situations where more Alaska Natives will become criminalized, when already a disproportionate amount of Alaska Natives are filling the states prison system because of alcohol related offenses.
10. The process of *altering* and *decreasing* the demand for alcohol among Alaska Natives sounds simple. However, this process is compounded when several generations of Alaska Natives have become accustomed to being avid consumers of alcohol; who by their own volition (and consumer behavior) have created, and are the driving force behind, the market for the commodity in question - alcohol. (All the while, those in the business of supplying alcohol (legal or illegal), and those employed within the two complementary industries mentioned previously, *balance their bank accounts*, read the newspaper, listen to the news on TV or radio, and say to themselves, "tsk-tsk-tsk, those poor Natives really ought to do something about their drinking habits.")
11. Understanding and taking ownership of the reason(s) why Alaska Natives have such a high demand for the consumption of alcohol is paramount. To do this AFNSM collaborated with the Department of Corrections and Harold Napoleon to begin

brainstorming ways in which Native people could begin taking ownership of the reason(s) why they found themselves on a self-destructive path of alcohol abuse, and to identify the circumstances which fuel their demand to use alcohol to deal with their problems. What resulted was AFN's Pre-Conference, "*A Call To Action: Taking Community Responsibility.*" Out of this conference came ten (10) recommendations, the first of which states: "*We, as Alaska Native people, although we did not create the many problems that face us, find that we are responsible for solving them and the first step has to be in achieving sobriety, as individuals and communities;*"

12. Judging from the status quo of contemporary prevention methods -- which are for the most part, cookie cutter approaches coming out of the suburban cities of the Lower '48 -- it does not look like things will change anytime soon. This is because these prevention methods, although well intentioned, are not made with Alaska Natives' distinct cultural values, perceptions or mores in mind. Until the time they do, they will continue to fail. Presently, AFNSM is on the cutting edge of promoting substance abuse prevention through culturally relevant means. Already AFNSM, in cooperation with other agencies, i.e., ARCO of Alaska, Alaska Native Health Board, Indian Health Service and the Alaska Council on Prevention of Alcohol and Drug Abuse, has released a resource manual - "*Helping Sobriety Happen*" - citing culturally relevant approaches to substance abuse prevention.

NOTE: Again, the operative word here is, *sobriety*, and it refers to a *lifestyle*; prevention, on the other hand, is used in the context of a *task* or *tasks* with which to attain or maintain sobriety. Some confusion has erupted in trying to use these terms as synonyms for the other. Let it be known that there is a vast difference between the two. *Sobriety* is a *lifestyle*. Prevention is a *task*.

13. Before the AFNSM Council begin its work, it had to go through a series of processes which helped it to develop and take ownership of its role. The first of which was to acknowledge that Alaska Natives are in a constant process of assimilation. Secondly, that Alaska Natives generally work by consensus as a general rule, incumbent upon the survival of the family or community. Thirdly, it was not until the advent of the ANCSA, that Alaska Natives were catapulted into the western society and really began to practice documenting their consensus -via- resolution. Anymore, these resolutions have become the medium through which various coalitions, groups or other forms of government communicate.

In an effort to create greater unanimity of purpose, not only did AFNSM utilize the Sobriety Pledge as means to measure individual support for its goals, it utilized the resolution format to get the support of Native coalitions and other non-Native entities. Currently, 54 organizations, i.e., student bodies, profit & non-profit corporations, Native Inmate Councils, the Governor's Advisory Board on Alcohol and Other Drugs, and the National Family Partnership (the parent organization which orchestrates the red ribbon campaign in October in schools across the nation) have passed AFNSM's draft resolution and become AFNSM Charter Group Members & Honor Societies.

14. If Native people are really serious about breaking the cycle of dependency on government subsidies, they can show it by rallying behind AFNSM's "I did a pledge for Sobriety" fund-raising campaign. This fund-raising format can champion the effort and break the mind-set that Native people need to depend on "grants" or "grant writers" to accomplish what they want, when it comes to achieving sobriety.

15. All things being equal, one thing remains constant. If we, Alaska Natives (and non-Natives), are not united in taking ownership of a common solution, as much as we are united in identifying a common problem, the results can be expected to mixed at best. We can expect to be no closer in solving our common problem, than when we only identified and agreed to what our common problem was. And, we can blame everyone and everything, who we believe is responsible (excluding ourselves) for the lack of progress made on our common problem.

CONCLUSION:

The beauty and mysticism of the AFNSM program with its, e.g., mission, goals, definition on sobriety, sobriety pledge, draft resolution for charter group & honor society membership and its "Iditapledge for Sobriety" fund-raising campaign is that, not only is it *simple*, but it is *duplicable*. The AFNSM is people tested, by that I mean, it has a track record of support; a solid foundation for perpetual existence. It has within it the potential to be the spring board to create the paradigm shift that is so badly needed within the discipline of substance abuse prevention among Alaska Natives.

Although AFNSM holds great promise, it is limited by our own bias'. Time and again, I have been told by a colleague of mine that the word "sobriety" is a red flag! That is, it evokes resistance from the very Native leaders we need to appeal support from. My colleague's point is well taken. Sobriety is a "red flag" from the stand point that it immediately confronts the open-mindedness of anyone who would rather not look at their own (alcohol) consuming behavior. This is unfortunate! Herbert Spencer perhaps described it best when he stated, "There is a principle which is a bar against all information, which is proof against all arguments and which cannot fail to keep man in everlasting ignorance - that principle is contempt prior to investigation."

For AFNSM, sobriety is a "white flag" -- a reprieve from trying to change everybody else but ourselves; does not AFNSM's sobriety pledge state, "... If our spirits our to remain strong and sober, it has to begin somewhere. LET IT BEGIN WITH ME!!"

Sobriety is a banner term under which thousands, if not millions of Americans, relate and can unite under. We do not hear of anyone being incarcerated because they wanted to stay sober. We do not see Native children going to foster homes because their parents wanted to practice a life of sobriety or use their time more productively.

AFN is the first organization to change its course from focusing only on the problem by identifying the problem, identifying a common solution to the problem, and then maintaining a candid emphasis on the solution. Trying to solve the problem by focusing only on the problem is like trying to do the same thing over and over again, expecting different results - it doesn't work.

What AFNSM has in its favor is the reputation of Alaska's diverse Native cultures, all of which have deep roots in respecting *action* and *examples*...not empty words. As Alaska Native people, our traditional ways of life may be limited. However, we need not limit our understanding to the underlying principles of our heritage. Because these principles are just as applicable now, as they were then; only our bias' stands in the way of seeing their usefulness.

ALASKA FEDERATION OF NATIVES

1994 ANNUAL CONVENTION

RESOLUTION 94-29

- TITLE: RECOGNIZING AND SUPPORTING THE AFN SOBRIETY MOVEMENT (AFNSM) AND ITS CHARTER GROUPS AS MODELS DESIGNED FOR ALASKA NATIVES, BY ALASKA NATIVES
- WHEREAS: the AFNSM is a model designed by Alaska Natives and adopted by the AFN Board of Directors to promote sobriety as "a positive, healthy and productive way of life, free from the devastating effects of alcohol and drugs"; and
- WHEREAS: sixteen thousand Native and non-Native signatures have been collected throughout Alaska and the Lower '48 in AFNSM's Sobriety Pledge the last three years and carried to Nome by Mike Williams in the Iditarod Sled Dog Race; and
- WHEREAS: fifty organizations, i.e., Native profit/nonprofit corporations, boroughs, village councils, city councils, youth councils, Native prison inmate councils, non-Native substance abuse prevention coalitions, treatment centers, have become AFNSM charter group members by respectively passing resolutions to adopt: a) AFNSM's goals, b) definition on sobriety and c) celebrate sobriety as they see fit in their respective communities on an annual basis; and
- WHEREAS: the statewide Native community has collectively chosen and taken ownership of a common solution, uniting under the banner of sobriety and under AFNSM's goals as a principle means of restoring pride and honor among Alaska Natives, their families and their communities from the devastating effects of alcohol and drugs; and
- WHEREAS: the recently released Alaska Native Commission Report states that "only Alaska Natives" can help solve the myriad problems they face and have made numerous recommendations on issues of government policy; and

WHEREAS: one such recommendation made in the Commission's report, under MEETING BASIC SOCIAL NEEDS - Recommendation No. 2, states: "The federal government and the State of Alaska should institute a moratorium on development of new non-Native agency programs that deal with the problems of alcohol (abuse)...in predominantly Native areas of the state. Included in such a moratorium would be studies, seminars, conferences and other agency initiatives now in place or in the planning stages that have not originated from Alaska Native villages or organizations."

NOW, THEREFORE, BE IT RESOLVED by the delegates to the 1994 Annual Convention of the Alaska Federation of Natives that AFN recognizes the AFN Sobriety Movement as solution emanating from the statewide Native community by the AFN membership and their delegates to the Convention, the federal government and the State of Alaska; and

BE IT FURTHER RESOLVED, that the AFN membership seek out those respective AFNSM charter groups within their regional boundaries and provide them with the financial resources and in-kind contributions to help them carry-out and meet their AFNSM charter; and

BE IT FINALLY RESOLVED, that the federal government and the State of Alaska be invited to the process of offering whatever financial support they would deem appropriate to help keep the AFNSM office open so that it can provide follow-up support services to all AFNSM charter groups and continue with its mission and goals.

SUBMITTED BY: AFN Sobriety Movement Council

COMMITTEE RECOMMENDATIONS: DO PASS

CONVENTION ACTION: PASSED



DRAFT

ATTACHMENT TWO (ii)

THE AFN SOBRIETY MOVEMENT (AFNSM)
&
THE RECOMMENDATIONS OF THE ALASKA NATIVE COMMISSION'S
REPORT (Vol. I):

MEETING BASIC SOCIAL NEEDS (pages 27, 28, 30):

Recommendation Two: "The federal government and the State of Alaska should institute a moratorium on development of new non-Native agency programs that deal with problems of Alcohol Abuse.... Included in such a moratorium would be studies, seminars, conferences and other agency initiatives now in place or in the planning stages that have not originated from Alaska Native villages or organizations."

Discussion: AFNSM is a model designed by Alaska Natives, for Alaska Natives. See AFN Convention Resolution 94-29, under section - Health, Safety & Welfare.

Recommendation Three: "Alaska Native villages, with assistance from their organizations (see Recommendation #4, below), should establish plans for beginning a healing and recovery process for their families and communities. Native organizations not locally based, and federal and state agencies should not initiate any new social programs in a village without the village taking the initial step to plan for its recovery."

Discussion: A direction of healing and recovery that some Alaska Native village councils, Native inmate councils, Native student councils, (Statewide) Native Youth Leadership Councils, Village IRA's, have chosen has come in the form of passing resolutions to become an AFNSM Charter Group/Honor Society. The only requirements of becoming an AFNSM Charter Group/Honor Society are to adopt: 1) AFNSM's goals, 2) its definition on Sobriety and 3) pledge to hold at least one annual celebration that highlights the merits of sobriety. Councils that have become AFNSM Charter Groups and/or Honor Societies initially have done so in support of those among them within their *community* that have taken the AFNSM "Sobriety Pledge."

Recommendation Four: "Federal and state appropriations for social programs in predominantly Native areas of the state should bypass governmental agencies and be redirected as grants to Alaska Native villages and village consortia that have developed, or are developing, projects aimed at *lessening substance abuse, social pathologies, violence and criminality in the villages.*"

Discussion: AFNSM is a model designed by Alaska Natives, for Alaska Natives (see Discussion under Recommendation #3, above), also, see AFN Convention Resolution 94-29, under section - Health, Safety & Welfare.

Note: Words and phrases *italicized* for emphasis.

Recommendation Five: (Discussion Continued)

The purpose of the manual is to fill a gap in the way substance abuse prevention is approached among Alaska Natives. Designed with the village-based service provider in mind, the manual cites materials and methods which reflect the cultural mores and traditions of Alaska Native people, recognizing Alaska Natives respond better to these types of prevention strategies, as opposed to the confrontational approach and dictum of western societies approach to substance abuse treatment. It is hoped that, armed with this manual, service providers serving Alaska Native communities will increase their knowledge of prevention methods and models which can successfully be applied to Alaska Natives, whether they are in treatment centers, in neighborhoods, or in villages.

It is AFNSM's hope that its charter groups/honor societies will police themselves, espouse to the themes of self-determination and community responsibility in creating support for their respective charter groups/honor societies; reclaim their respective spiritual and cultural activities which have remained dormant or suppressed by surrogate institutions...; fosters respect, confidence, pride and the traditional societal roles of family and community members.

MEETING BASIC PHYSICAL
&
BEHAVIORAL HEALTH NEEDS (pages 55 & 59):

Recommendation Two: "The entire health care system for Alaska Natives should be shifted toward health education and *primary prevention*, with community-based activities that inform, *change attitudes* and *encourage healthy lifestyles*; both federal and state governments need to provide funding to support these efforts -- and the resource allocation of the Indian Health Service should simultaneously be revised to reinforce effective *primary prevention* and *health promotion* rather than orientating its funding only toward the provision of secondary and tertiary care."

Discussion: The mission of the AFN Sobriety Movement is to support and encourage the *grassroots* sobriety movement growing among Alaska Natives; candidly focus on and promote sobriety as "*A Positive, Healthy And Productive Way Of Life, Free From The Devastating Effects Of Alcohol And Drugs*"; collaborate with local organizations and other statewide agencies and service providers in the area of alcohol and drug abuse prevention; monitor and evaluate the sobriety movement growing in Alaska.

Recommendation Five: "Approaches to substance abuse treatment for Alaska Natives must be reconstructed to emphasize community-based, family-oriented and *culturally relevant strategies* developed at the village level where maximum desecration with respect to regulation of program designs and outcomes is fundamental to new treatment strategies. To this end, federal and state appropriations for alcohol programs in predominantly Native areas of the state, where feasible and appropriate, should bypass governmental agencies and instead be redirected as grants to Alaska Native organizations and village councils *that have developed, or are developing, projects aimed at lessening alcohol abuse* and its resultant Native criminality and social pathologies."

Discussion: The AFNSM has, in cooperation with ARCO Alaska, Alaska Native Health Board, Indian Health Service and The Alaska Council on Prevention of Alcohol and Substance Abuse, just recently released a resource manual, "HELPING SOBRIETY HAPPEN." For at last decade, Alaska Natives have lamented the lack of information and materials that *culturally and philosophically* approached the prevention of substance abuse; that, there where no support systems or autonomous programs in villages for Alaska Natives, who have received alcohol treatment, and who travel back to their respective villages.

A MESSAGE TO THE AFN CONVENTION
AND THE
ALASKA NATIVE PEOPLE

From: The "Call to Action: Taking Community Responsibility" Conference

Date: October 11, 1994

We, the conferees, composed of village representatives from throughout the state, having been called together for the purpose of:

"identifying those things Native Councils, families, and individuals, can do to improve life for their people, without the necessity of first asking permission from government to do so, and second, without waiting for government to fund the initiatives we might decide to take;"

having met for that purpose, forward these findings and recommendations to you:

1. We, as Alaska Native people, although we did not create the many problems that face us, find that we are responsible for solving them and the first step has to be in achieving sobriety, as individuals and as communities;
2. We find that alcohol and drugs to pose an intimate and immediate threat to Alaska Native lives and well-being wherever they are found; we therefore recommend that village tribal governments ban their sale and importation, and further recommend banning the manufacture of "homebrew" in our communities;
3. We recommend that village tribal councils, and their membership, enforce these bans to the fullest extent possible, using Native-traditional, state, or Federal Indian laws;
4. We recommend that village tribal councils pass ordinances making bootleggers and drug dealers accessories to crimes committed by people to whom they were proven to have given or sold liquor or drugs to; at the same time it is recommended that they lobby the state legislature to pass legislation accomplishing the same;
5. We recommend that village tribal councils, as a way of saving lives and protecting the innocent from violence, enact ordinances granting the councils authority to remove inebriates from homes and public places

and placing them in "protective custody" until such time as they no longer pose a threat to themselves or others;

6. We recommend that village tribal councils pass ordinances protecting women, children, and others, from neglect, and physical and sexual abuse, and that tribal, state, and federal courts be used to enforce these ordinances;
7. We recommend that village tribal councils and families work together to stem the rise of cancer, diabetes, AIDS, other sexually transmitted diseases, teen pregnancy, and other preventable illnesses, through education and preventive medicine, and by the development of tribal health ordinances;
8. We recommend that village tribal councils and families work together to provide meaningful work for the youth, and provide healthy educational, cultural, and recreational activities for them;
9. We recommend that village governments, regional corporations, and the Alaska Federation of Natives, pursue "trading off" food stamps, AFDC, general assistance, and other welfare programs, for "village economic support grants;" these grants would not only provide work for the unemployed but would improve the quality of life in the village by getting needed work done in, and around, the community, by people who would otherwise be idly receiving welfare payments from government;
10. Having found dependency to be destructive to our societies, we recommend that village governments, regional corporations, and the Alaska Federation of Natives, work with State and Federal governments in changing the way government "invests" in Village, Alaska; what people need are jobs, not food stamps or AFDC; government and Native people must work together to create the opportunity;

Passed and approved this 11th day of October, 1994, by the Alaska Federation of Natives Conference on "Taking Community Responsibility."

Respectfully Submitted,

Gen. John Schaeffer, Jr.(ret)
Conference Chairman

**A CALL TO ACTION:
TAKING COMMUNITY RESPONSIBILITY**

THE ALASKA FEDERATION OF NATIVES

DECEMBER, 1994

INTRODUCTION

The AFN conference, "A Call to Action: Taking Community Responsibility," was called in response to the report by the Alaska Natives Commission which affirmed what the Native community has known for some time - that only Alaska Natives can solve the social, cultural, and spiritual problems that have plagued them for the last 30 years.

Called to "identify those things village governments, families, and individuals can do to improve life for themselves," the village leaders who attended met for two days, but first, they had to answer one question: "Whose responsibility is it to end the alcohol-related violence and death," and by extension, the social/cultural/ and spiritual problems that lie at the root of these tragedies.

The answer was unanimous, the conferees agreed it was their (the Native people's) responsibility. And whether they knew it or not, meeting in this obscure conference, the representatives of the Native villages present, quietly signalled a change of historic proportions.

The tone for the conference had been set by the opening statement of AFN President Julie Kitka, who had asked the delegates to "send a clear message, to our people and government alike, that we - as Alaska Natives - intend to reclaim control over our lives."

Saying that the problems facing Natives had multiplied over the years, becoming more serious in scope, she told the conferees that they had to "confront and overcome" these challenges as the "will to take hold of our future was slipping away... one village at a time... one family at a time... one person at a time." The alternative she said, was

to "do nothing," to "resign ourselves to our present circumstances." This alternative, she told the conferees, "was not acceptable."

The guidelines set in the search for solutions were that they be ones Native villages could implement on their own without the need for new authorization from state or federal authorities, and further, that they not require the creation of new government programs. Government, Kitka said, had spent billions of dollars creating a "forest" of programs designed to keep Native people alive and to solve their growing social problems. But, she said, the well-intentioned programs have not worked, they have instead, brought Alaska Natives to the brink of becoming "prisoners of dependency."

Saying that government has a critical and positive role to play in the lives of Alaska Natives, Kitka called for a "new partnership" with government, where it becomes an "investor" in the economic development of rural and village Alaska; trading welfare programs, hopelessness and depression for jobs, hope and a new lease on life . She also asked that government and Native people together examine how the ever dwindling monetary resources are being appropriated in rural Alaska, to see if they are going where they are most needed.

As reflected by the agenda, the conferees were asked to concentrate on the most basic issues facing Alaska Native communities: the alcohol fueled suffering; physical and mental health; joblessness; and dependency on government. The conferees were also asked to take a look at the spending patterns of government, to see how closely these paralleled the true needs and priorities of villages.

PLANNERS

The planners for the conference were:

Julie Kitka, President, AFN
General John Schaeffer, NANA Regional Corporation
Emil Notti, President of the Alaska Native Foundation
Mike Irwin, former Executive Director of the Alaska Natives Commission
Ann Walker, Executive Director of the Alaska Native Health Board
George Owletuck, Office of US Senator Ted Stevens
Gerald Ward, Department of Corrections
Gregory Nothstine, AFN Sobriety Movement
Margaret Olsen Knowles, Kodiak
Dr. Matthew Berman, Institute of Social, Economic, Research, UAA
Dr. Robert Alberts, MD

Major funding for the conference was provided by the Alaska State departments of Health and Social Services and Corrections.

The Department of Community and Regional Affairs provided funding for the composition and distribution of this report.

Malcolm Roberts, special assistant to Governor Walter J. Hickel, co-ordinated with AFN in the planning and financing of this conference.

MARKAIR provided special conference rates for delegates traveling from the many villages they serve.

TOWARD ENDING ALCOHOL-RELATED VIOLENCE AND DEATH

Michael Irwin, former Executive Director of the Alaska Natives Commission introduced the issue of alcohol control in Native villages as an issue that has escaped successful resolution by the various governments under which Native people have fallen since contact with the West; "successful resolution" being defined as keeping it out of the village.

From the beginning he said, alcohol has presented a threat to the health and well-being of Alaska Natives, bringing death, violence and sorrow wherever it was introduced. As an example, he cited the first homicide reported in the North Slope; a murder committed by a drunk man in 1836. In the same period, he said, the Nunamuit, going to what is now Barrow, traded all they owned for liquor and molasses only to starve, or die of exposure, on the way home.

There are many other examples, historical and current, of the tragic consequences of alcohol use by Alaska Natives. The ethnographer, Edward William Nelson, on arriving on St. Lawrence Island aboard the Revenue Cutter Corwin, in the spring of 1875, recorded how they had found dead villages with bodies strewn all over; of a once healthy population of 4000, only 200 were found to have survived. Nelson attributed the deaths directly to alcohol abuse. As with the Nunamuit, it appeared that the St. Lawrence Islanders had starved to death after neglecting the hunt due to drinking, but it is possible that disease was an added factor.

Another constant, Irvin pointed out, was that in spite of repeated requests from villagers for stricter control of alcohol flowing into their communities, Federal, territorial and state governments have never been able to do so. At the same time, Irvin said, Federal, territorial, and State authorities have never been willing to turn over control of alcohol to the Native people themselves for legal, jurisdictional and other reasons.

Commenting on the intractability of the problem, he said that the comments made by Native villagers before the Alaska Native's Commission regarding alcohol echoed the very same comments that have been made before government bodies since intercourse between Native people and the US government began.

Following Irwin, Dr. Matthew Berman of the the University of Alaska's Institute of Social Economic Research, presented the conference with the statistics on violent deaths, most of which are alcohol related. And, as he correctly pointed out, as distressing as the numbers might be, they did not represent the true costs of alcohol abuse on Alaska Native communities, families and individuals. (Berman's statement "Alaska Natives Dying from Injuries and Violence" and accompanying graphs are attached to this report.)

" Alaska Natives are more likely to die violently than any other group in America (italics added)."

" The deaths themselves are only many of the symptoms that something is seriously wrong in Native communities. For every person who is murdered or dies by accident, many more are seriously injured. Hundreds of people are beaten or raped, or sit in jail for violent crimes. Many more people attempt suicide than actually kill themselves, and even more are so depressed that they think seriously about ending their lives."

" ...the number of people dying adds up to an epidemic of staggering proportions. From 1980-1991, 396 Alaska Native men committed suicide, 173 were murdered, 862 died from accidents. All these deaths could have been prevented."

" The total number of [violent] deaths between 1980-1991 add up to 1,431 men and 410 women - nearly 2,000 Native people in just 12 years."

" Alcohol is involved in most accidental deaths, suicides, and murders."

" If the deaths continue at their current rates, violence will take an enormous toll on the population of the village."

Matthew Berman, ISER

Unmeasured is the damage alcohol abuse has inflicted on the will and the spirit of Alaska Native families and communities who have had to live through repeated episodes of traumatic events, especially the children, many of whom are now scarred for life.

Through alcohol, the "cycle" of violence, trauma, and death, that began with the massacring of Aleuts by the Russians, and carried on by disease, church, and state, continues today; but now it is Alaska Natives who are hurting themselves, it is as if they have turned on themselves.

Indicators of the damage can be found in the rising outmigration of the young from villages to hub communities and the cities; the continuing poor performance of children in school; the break-up of families; the number of young Alaska Natives in the juvenile and correctional systems of the state; the fall in the age of alcohol, drug, and inhalant abusers (youngest known is 2 years old); the falling age of suicides (a 12 year old committed suicide this fall in one of the villages, leaving a suicide note behind; reason given for taking her life was her parent's drinking); teen pregnancy; etc.

The presentations by Iwin and Berman drove home three points to the conferees:

1. Alcohol poses an intimate and imminent threat to villages, families, and individuals who use it, as well as for those around whom it is being used; it's very presence in a village or home making the likelihood of violence, accident, or death very high;
2. In spite of "local option laws" and the "sobriety movement," alcohol use and abuse has not been significantly reduced, especially among the young;
3. While local option laws have slowed the flow of liquor into communities that have enacted them, they have not been effective, and this, because most communities rely on state troopers and distant state courts to enforce them; trooper involvement is mostly been one of arresting individuals who have committed alcohol-related crimes; hence, as the figures show, alcohol abuse and the incidences of violence, accidents and death, remain constant in spite of state sanctioned and enforced "local option laws."

PROGNOSIS

Unless urgently needed reforms and improvements are made in the societies, economies, and governments of Alaska Native villages, the prognosis for seeing a lessening of alcohol abuse and related social pathologies is poor.

In fact, if there are no immediate improvements made, alcohol abuse, drug abuse, inhalant abuse, and related tragedies, will remain constant, and will most likely rise, as the group identified as being most "at risk," presently comprises over half the Native population, and is growing.

ALASKA NATIVE POPULATION CHARACTERISTICS

Alaska Native population	90,000
Average Age	22
Most numerous group	5 and under
18 and under	40% of total
Rural	66%
Urban	34%
Growth rate	3% annually

(Source: Alaska Native Health Board)

Note: This "at risk" group of Alaska Native children and youth is already exhibiting behaviour which should be of concern to tribal, state and national leaders:

- * 15-20% of Alaska Native rural 12th grade students *admit* to regular alcohol use
- * Inhalant abuse (gas sniffing) is a rapidly growing problem in the 7-13 age range

RECOMMENDATIONS

Faced with this poor outlook for the future of many Alaska Natives, the planners and the conferees decided to recommend a number of immediate and long-term steps to village, state and federal governments.

The first body of recommendations are contained in this section and they are proposed primarily to village councils; to control, or end, the flow of alcohol into their communities, and taking immediate steps to end the violence and deaths.

The other recommendations contained in other sections of this report, while not directly related to alcohol abuse, are aimed at addressing some of the social, cultural, economic, and spiritual causes of the abuse.

Concurring with AFN President Julie Kitka, who had issued a proclamation declaring alcohol "a clear and imminent health risk" to Alaska Native's wherever it is found, the conference, in order to save lives, and to regain the peace and harmony of their villages, made the following recommendations:

1. That Village tribal governments enact and enforce ordinances banning the importation, sale, and the manufacturing of alcohol in their communities *as a public health measure*;
2. That village councils enact protective custody ordinances, giving themselves the authority to take into custody any inebriate, from homes and public places, until such time as the inebriates no longer pose a threat to themselves, their families, and others in the community.

The conference participants understood, in forwarding this recommendation, that it is not against state law to be drunk, and that the constitution protects what a person does in the privacy of his own home. But seeing that in most villages alcohol related crimes of violence are committed in the home, and usually against friends or family members, they decided that the need to protect lives far outweighed any constitutional protections to privacy; hence the recommendation to take drunk people even out of their own homes.

The conferees believe that protective custody ordinances, tirelessly and patiently enforced by village governments, will cut down dramatically the number of deaths related to accidents, drownings, homicides and suicide. They also believe that such ordinances would significantly reduce violence in the home and restore peace to the village.

They also wanted it clearly understood that protective custody was not being proposed as a punitive measure, but as an act to protect the community from further violence and death.

3. That bootleggers and homebrewers be charged as accessories to crimes committed by people to whom they sold or gave liquor.

This recommendation is based on the fact that over 90% of all violent crimes in Alaska Native villages are alcohol-related; that 53% of Alaska Natives incarcerated are being held for crimes that have been categorized as the "most violent." Inupiaq elder Rachel Craig pointed out that these tragic facts are well known to bootleggers, who still choose to profit by selling alcohol where it has been banned. She, and an overwhelming majority of conference participants, felt that such people should be held responsible for the violence and suffering caused by their clients.

The conferees further recommended that village councils, AFN, and legislators representing Alaska Native communities, lobby the Alaska State legislature for the enactment of laws making bootleggers accessories to crimes committed by their clients.

4. That village councils provide healthy cultural, social and recreational activities for the whole community, especially the young, who oftentimes correctly complain about having "nothing to do;" the result is boredom which then elevates the likelihood of alcohol and drug abuse. (15-20% of Alaska Native rural 12th graders admit to regular alcohol use: Source: Ak Native Health Board)

Underlying the discussion around alcohol was the urgency, the need to do "something" now to save a whole new generation of Native children from the ravages of alcohol, drug, and inhalant abuse, along with the certainty that if they truly wanted to, village councils and their communities could end the alcohol related violence and deaths.

It was the consensus of the conferees that villages should enact, implement, and enforce their alcohol control ordinances without waiting for state or federal approval.

It was also the consensus of the conference that village tribal governments (the IRA's and traditional councils) were best able to pass and enforce such ordinances as they had a greater variety of options under Federal Indian law than the village municipal governments (2nd Class cities) did under the state's municipal code, Title 29.

IMPROVING THE PHYSICAL AND MENTAL HEALTH OF ALASKA NATIVE
VILLAGES, FAMILIES AND INDIVIDUALS

The discussion around physical and mental health centered around the Alaska Native Commission's assertion that, because of depression, Alaska Natives were not taking care of themselves; that they were suffering from illnesses that they could prevent; and that they had "turned over" to the Indian Health Service the responsibility of taking care of their health in much the same way that they had turned over other responsibilities to other branches of government.

Dr. Robert Alberts, in his presentation to the conference on the "Anatomy of a dysfunctional village," identified the depression as one of the lingering aftereffects of the collapse of Alaska Native cultures and societies after repeated attacks by disease, missionaries, and government, as represented in early territorial days by the school teachers.

Echoing the Alaska Natives Commission's Social/Cultural Task Force, he told the conference that this psychological, or "spiritual," illness, aggravated today by joblessness, poverty, dependency and a growing sense of helplessness and powerlessness, was one only the Native people themselves could heal by re-opening the broken lines of communication between families and by reestablishing the bonds of kinship, culture, language, and traditional values.

Anne Walker, Executive Director of the Alaska Native Health Board, agreeing with Alberts, told the conference that regardless of who was responsible for creating the problems Alaska Natives face today, they still needed to take "ownership", then do whatever was necessary to solve them .

She said that while the Federal government's legal and other responsibilities for ensuring the health care of Alaska Natives remains clear, there was only so much the Indian Health Service could do; that because of the limitations of staff, facilities, equipment, money, time, and distances separating villages from the hub communities and Anchorage, the IHS continues to spend its resources in treatment and not in prevention.

Walker said that the same limitations also applied to the regional health corporations which have contracted many of the Indian Health Service's programs including the running of several hospitals. Here again, Walker said, preventive medicine has not been a priority, nor has it been integrated into the workings of these corporations on the village level.

Village governments, families, schools and churches, she said, need to fill this gap, begin working together to improve the mental, physical, and spiritual health of their members through education and preventive programs.

Native people, she said, are no longer dying from infections and respiratory diseases like they did only 40 years ago; they are dying from preventable diseases like cancer and heart disease; and from accidents, homicide and suicide, most, if not all of which, be prevented.

Causes of Death, 1950, 1988, by Percent
(Source: Alaska Native Health Board)

CAUSES	1950	1988
Infections	45.8%	1.3%
Respiratory	13.2%	7.2%
Accidents	9.6%	21.7%
Heart Disease	5.3%	16.2%
Congenital	3.0%	6.0%
Cancer	2.4%	15.7%
Homicide/Suicide	1.7%	11.1%
Stroke	1.4%	3.6%
Other	17.6%	17.2%

RECOMMENDATIONS: PHYSICAL AND MENTAL HEALTH

1. Village Councils need to educate their members to the dangers of tobacco, alcohol, inhalant and drug abuse ; they could do this through the schools, churches, community functions, etc.; the best targets would be the children in the schools who had not yet begun to smoke, chew, drink or use other chemicals and inhalants; they must also practice sobriety as leaders and role models, especially at this critical stage in the history of their people.

In her report to the conference, Anne Walker told the participants that "tobacco offers the largest single opportunity to reduce cancer and heart disease and improving the overall physical health of Alaska Natives. " Not only is tobacco affecting the health of adults, it is also a definite health risk to children and Alaska Native youth.

Tobacco abuse by Alaska Native Children and Youth

- ~ 16% of rural 4 and 5 year old children in NW Alaska are regular users of smokeless tobacco (S.T).
- ~ 30% of 7-12 year olds in Western Alaska are regular users of S.T.
- ~ 40-50% of Alaska Native 12th graders use some form of tobacco.

(Source: Ak Native Health Board)

2. Village Councils should pass ordinances making community halls, schools, and other public places off limits to smoking; they should also pass ordinances making the sale of tobacco products illegal to all village members under the age of 18 and penalizing those businesses that do;

While village councils can pass ordinances making smoking illegal in public places, and while they might make it illegal to sell tobacco products to children, it is an unfortunate fact that some Native parents actually allow their children to chew tobacco, some even buy it for them. They do not seem to understand that tobacco, smoked or chewed, poses a risk to the long-term health and well-being of their children.

- ~ By grade 12, 81% of Alaska Native females and 68% of Alaska Native males have had sexual intercourse.
- ~ The same statistic for American Indian females is 59%, and 66% for males.

(Source: Ak Native Health Board)

3. Village Councils , parents and youth, must address the issues of sexually transmitted diseases and pregnancy by unwed teens;

Like communities and families everywhere, Alaska Natives have not been able to bring themselves to openly discuss ,between themselves, matters relating to sex, like sexually transmitted diseases and teen pregnancy. It is as if by mutual silent consent, they have decided not to "talk about it" in the same way that they choose not to talk about other troubling aspects of their existence.

In the meantime, as Joe Cantil of the Alaska Native Health Board Aids Project told the conference, there is a real danger of an AIDS epidemic in Alaska Native villages; a totally avoidable epidemic made possible by the silence of denial in Native villages, churches, and families on matters of sex.

This unwillingness or aversion to openly discussing matters of sex is wrapped up in a religious/moral blanket of "sin" - but underneath the blanket is an apparent erosion of traditional Native values and mores which has resulted in an explosion of teen pregnancy and other sexual abuses - also ignored and covered up by silence and denial.

In communities where 81% of all 12th grade girls have admitted to having had sexual intercourse, as had 68% of the boys , Cantil and others say it is imperative that everyone in the community,even the churches, begin working to address the very real risks of unprotected sex, both physical, spiritual and social.

4. Village councils must pass and enforce ordinances against domestic violence, sexual abuse, and incest.

The recommendation on domestic violence, sexual abuse and incest touches on one of the most tragic and sensitive of problems facing Alaska Native societies today; tragic because it is most often than not, family on family violence committed in the "safety" of perpetrator and victim's home; sensitive, because it has been hidden for so long in silent shame and fear in the "privacy" of many Alaska Native homes.

Although no specific numbers were given, it was the consensus of the presenters that violence against Alaska Native women was greater than reported; that many cases go unreported and perpetrators go unpunished. As in the accidental deaths, homicides and suicides, a lot of this violence is committed with alcohol being the triggering factor.

It was made clear to the conference by Dillingham Tribal Judge Sally Floresta Smith, Municipality of Anchorage researcher Charmaine Ramos, and a young Inupiaq survivor of incest, that the victims of this violence are many, and the effects destructive and far reaching.

Identified as "victims" were the village itself, the families, the abused women (oftentimes mothers, daughters), children, and other innocent observers, who become just as traumatized as their mothers, especially if the abuse is open, violent, and lasts over a long period of time.

The long term affects are just as tragic as the abuse itself. Charmaine Ramos, told the conference that many victims of abuse in the village leave there to escape, only to fall victim to alcohol abuse and more violence in the City of Anchorage; victims to the cycle of violence which started at home in the village. Children of abused mothers also become abusers themselves; become alcohol and drug abusers, get into abusive relationships; many of the sons end up in prison.

The conference participants in passing the recommendation to village councils to pass ordinances protecting women and children did so because ultimately it is the responsibility of the Native people to protect their members from violence, not the state troopers, state welfare agencies, or anyone else. They also wanted to send a very clear message to the Native community that this type of behaviour against women,

children and other vulnerable members of the village cannot, and should not, be tolerated.

They also wanted to reinforce and support existing state and federal laws against domestic violence and make it incumbent on Alaska Native governments to arrest and bring to prosecution, tribal members who have been accused of committing these crimes.

5. Alaska Native tribal councils must pass ordinances protecting children from parental neglect, sexual, and other abuses, and they must enforce such ordinances.

Considering that over 40 % of the Native population is 22 years old and younger, and considering that the largest age group of the total Native population is under 5 years of age, this recommendation by the conference is probably one of the most significant. If village governments follow this recommendation and move to protect their children it would correct one of the most tragic breakdowns in Alaska Native societies.

-
- In 1991, Alaska Native children comprised 30% of reported Native American child abuse cases in the US while comprising only 9% of the total Native American child population.
 - In 1992, Alaska Native children experienced 35% of all confirmed child abuse in Alaska
 - 25% of 12th grade Native girls and 4% of 12th grade boys report to having been sexually abused.

(Source: Ak Native Health Board)

At present, most Native councils and communities do not "interfere" with the inner workings of families, even when abuses are known to be occurring in a household; they leave it to State welfare agencies like DFYS to do "something." Unfortunately, and tragically, many children suffer neglect and abuse long before they

catch the attention of a social worker, and usually through a concerned school teacher, and very rarely through the village council.

The effects of such communal and parental neglect of children is already evident in the number of Alaska Native juveniles under protection and supervision of the state and in the young Alaska Native men in prison. It is also a factor in the falling age of young Alaska Native suicides, and in the rising alcohol, drug, and inhalant abuse by Native children. The conferees in recommending such ordinances protecting children recognize that they are the future and that Native villages need to take back the responsibility of protecting and nurturing them.

PROVIDING MEANINGFUL WORK FOR ALL SEGMENTS OF VILLAGE SOCIETY

Dr. Robert Alberts, in his presentation to the conference on the "anatomy of a dysfunctional village," pointed to dependency as the most destructive and disabling symptom of a village that had lost control of itself. In the case of Alaska Natives, after over a century of rule by federal, territorial and state authorities, coupled with the many programs fostered by the War on Poverty, dependency has come to pervade all segments of Alaska Native society. From birth to death, Alaska Natives now rely on government to provide for their health, educational, governmental, social, and economic needs.

As AFN President Julie Kitka said in her opening statement, Native people now watch as someone else feeds, medicates, houses, clothes, and educates, their children, while on the other hand, following government directives in running every aspect of their existence. And having become frozen into this culture of dependency, she says, Native people now stand helplessly by as the "flower of our youth" self-destruct through alcohol and drug abuse born of the hopelessness and discouragement endemic to a dependent society.

SOLUTIONS

Long term solutions to dependency, as AFN President Kitka pointed out, will have to come through a "new partnership" between Alaska Natives and the Federal and state governments. While the AFN call for a new partnership covered all aspects of Federal/State/Native relations, implicit in her comments was the need for "meaningful work" now, and the need to establish a lasting economic base for Alaska Natives living in villages, for the future.

Rather than continuing to prop up the artificial and unproductive welfare economy that it has created for Native villages, Kitka called on government to change the way it "invests" in Native people.

In place of food stamps, AFDC, General Assistance, and other programs, she asked that village councils be given grants with which they could hire unemployed village residents to do needed work in, and around, the community. She also said that government must make long-term investments in the economies of rural and Village, Alaska, while at the same time, removing statutory and regulatory "obstacles" now standing in the way of "Native participation in the development of [Alaska's] renewable and non-renewable resources."

These comments of Kitka's on "new partnerships," "investments," and removing "obstacles" can best be understood only when it is seen that the economic depression in Native communities today is largely the result of Federal/State land and resource management policies followed since the purchase of Alaska by the United States in 1867. Those policies, General John Schaeffer of Kotzebue said, "ignored the existence of Alaska Natives," and brushed them aside as "inconsequential non-entities" when it came time to distribute Alaska's wealth.

As put by one of the conference participants, there is something "terribly wrong" when Alaska Natives, once the sole owners of the state, live on food stamps and AFDC "while someone else pumps oil out from under their feet." It is equally wrong, he said "when Alaska Natives literally stand on the banks of their rivers and bays, watching, as others from far off towns, states, and countries, haul in their fish" for commercial sales because they had been frozen out by the state's "limited entry" commercial fishery system.

In calling for a "new partnership" Kitka was asking for a redefinition of the governmental and economic relationships between Alaska Natives, the Federal government and the State of Alaska. She was also saying that it was no longer good enough for government to feed, house, medicate, and educate Alaska Natives, that some of what they had lost to government and other parties had to be returned in the form of jobs and a better economic future.

The following recommendations of the conference, like the recommendations on alcohol abuse, try to address the problems of a lack of meaningful work and dependency on two levels: the short term and the long term.

On the short term, the conference asks the village councils to address the problem of idleness, of "having nothing to do," especially among the young. On the long term, the conference recommended changes in the way welfare is being given to

Native families. The conferees also called for a concerted effort on the part of Native village councils, corporations, and Government, to solve the economic depression that has become a part of village life.

The conferees, in making the recommendations, recognized that achieving a turnaround in the dismal social conditions of Native villages hinged on solving the problems of unemployment and the lack of economic opportunity available to them; that as long as Native people remain dependant on government to live; that any progress they might make in other areas of their lives would continue to be undermined.

These are the recommendations of the conference on the issues of "meaningful work," unemployment, and economic development:

1. That village councils provide meaningful work (voluntary if necessary) for the youth and other unemployed in their communities;

The conferees attributed a lot of the social problems to unemployment and "idleness" on the part of many Natives. Of special concern to the conferees and the Natives Commission were the young men whose traditional role as hunter and provider for the family has been undermined by the welfare economy. With no job, besides hunting and fishing for subsistence, many young men today not only have a lot of idle time, but depend on their parents and other close relatives to provide for their other needs. Hence, their recommendation that village councils find the means to provide "meaningful work" for the young, even if the work is voluntary.

There is a lot in the history and traditions of all Alaska Native tribes extolling the work ethic, of helping others, of contributing to the welfare of the "people." This ethic, many conferees feel, is one of the casualties of the welfare economy, and the results have been tragic. Julie Kitka, in her opening comments, decried the "waste" of Native youth, who, because of having "nothing to do," turn to alcohol and drugs for relief.

2. That village tribal governments, regional corporations, and the Alaska Federation of Natives, pursue "trading off" food stamps, AFDC, General Assistance, and other welfare programs, for "village economic support grants;" the grants to be used by village councils in hiring unemployed heads of households to work on needed projects in the community.

There is already some precedence for "workfare" as proposed by the conference in Alaska and other states. The Tanana Chiefs Conference, although the practice was later questioned by the BIA, used their "general assistance" program funds to hire unemployed village people.

The program was a very popular one and received widespread support in the communities where it was tried, especially by the participants.

3. That the regional corporations and the Alaska Federation of Natives work with State and Federal governments for the development of a long term economic recovery plan for Alaska Native communities.

Some of the recommended courses of action include:

- @ amending the state commercial fisheries limited entry program to allow the issuance of inalienable "local access permits" for Alaska Native families living in fishery sites like Bristol Bay, YK, etc;
- @ enacting and enforcing strict local hire laws for any projects funded by state and federal governments to include planning and construction of schools, housing, roads, airports, etc.
- @ creating an Alaska Native Development Trust, (as recommended by the Alaska Natives Commission) the principle to be used as loan guaranties for businesses being developed locally by Native village corporations, governments, & individuals

RETHINKING OUR PRIORITIES

The last issue taken up by the conference was the question of priorities, whether spending by government reflected the true needs of Alaska Natives. As Gen. John Schaeffer (ret.) put it, "Why is it, that after an expenditure by Federal and State governments, of literally billions of dollars on Alaska Natives, are they in such bad shape?" Answering his own question, he said that perhaps the money had been "waylaid" before it got to the Native people, or that it had been spent by agencies for Natives paying for programs and things of no lasting value to the Native people other than to make dependants of them.

Comparing government programs, services and "handouts" to addictive drugs, he said that rather than freeing Natives, government had separated them from their lands, cultures, resources, and independence, then chained them into a perpetual state of dependency.

This loss of land, resources, and freedom, he said, was too high a price to pay for the types of government services Native people were receiving. That instead of continually pouring money into well-meaning, inefficient, and self-perpetuating agency programs, government should fund Native designed and staffed initiatives instead. Government, he said, has been paying non-Natives a lot of money to fail

trying to "help" Native people. "It is time, he said, "for Native people to be given that chance."

Schaeffer went on to say that Native people must carry some of the responsibility for this state of affairs. He said Natives had become used to depending on non-Natives to do the work they themselves could do. In fact, he said, Natives seem to have more faith in non-Natives than they did their own people. Like the government, he said, Native organizations have taken to hiring non-Natives, not trusting their own people to do a job. Like the government he said, Natives have learned to pay non-Natives to fail. "Why, " he said, "can't Natives hire Natives to make the same mistakes?" At least they would learn from the experience and the money would go to the Native community.

Decrying the "forest of programs" referred to by AFN President Julie Kitka, Schaeffer said government would save a lot of money, not to mention lives, if it would only enable Alaska Natives to help themselves. Even the most well-intentioned program, staffed by the most caring non-Native, while meeting an immediate unmet need, harmed the people in the long run "because it represented one more responsibility given away, one new dependency created."

For this reason, Schaeffer supports placing a moratorium on "Native programs" being run by, and through, state and federal agencies, and a review conducted to determine their cost and programmatic effectiveness. Those programs determined not to be cost effective or which would tend to deepen the dependency of Native people, should be cut.

The priority for Federal and State governments, Schaeffer said, should be the "empowering" of Native governments so they can begin, in earnest, the process of regaining control over their lives, and in improving living conditions for them: not by giving them food stamps and building new houses for them, but by creating jobs and a better economic future for them so they could buy their own food and build their own houses for themselves.

Saying that no one had ever become drunk or committed suicide because he lacked a flush toilet, one participant, agreeing with Schaeffer, said that government should concentrate its efforts and dwindling monetary resources on building a firm economic base for Alaska Natives rather than in constructing costly water and sewer systems for them. He also said that Native people themselves, on the village, regional, and the statewide level, need to talk about their priorities, and come up with their own social, cultural, and economic recovery plans, not leave it to government and its agencies to plan their recovery for them.

RECOMMENDATIONS

It is recommended that the Alaska Federation of Natives, as representative of Alaska Natives statewide, work with the State of Alaska and the Federal government, in gaining a moratorium on all "native" programs being run through state and federal agencies and that it work with both in determining which programs should be cut, and which should be granted, or contracted, to Native village councils or regional and statewide Native organizations.

While dependency pervades all segments of Alaska Native societies, it is perhaps most obvious in the economy of Native villages where food stamps, AFDC, and other "welfare" programs have become the foundation.

The conferees agreed with Dr. Alberts and the AFN President that Alaska Natives had become a dependent people. Yet, they also agreed, that because of the continuing economic depression in rural Alaska, economic assistance will continue to be needed.

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"PRIVATE SECTOR" INVESTS IN AFN/SM MISSION & MESSAGE

IDITAPLEDGE 1995 NETS \$27,000 IN CONTRIBUTIONS

With a goal of becoming fully self-supporting, free from government subsidy, the Council for the Alaska Federation of Natives' Sobriety Movement (AFN/SM) hails its - *Third Annual Iditapledge (I-Did-a-Pledge) for Sobriety* - fund-raising campaign a major success, with contributions totaling over \$27,000!

This is a remarkable 10% average increase over the totals from the two previous *Iditapledge* campaigns; credit the Council for making the decision to invite businesses to pledge a dollar for every mile its Sobriety Pledge Signatures travel in the sled of an Iditarod Dog Sled Musher, 1,049 miles up to Nome. In the previous campaigns, only individuals were invited, and they pledged a penny a mile (.01 x 1,049 = \$10.49).

The AFN/SM began collecting signatures for sobriety in 1991, and averaged 5,000 signatures a year. The most signatures ever collected in a 12 month period was 10,000 in 1993-94.

Promisingly, the *Iditapledge* has developed into being one of AFN/SM's best strategies in becoming self-sufficient; if not also, a means to generate awareness, while measuring the amount of public support sobriety has in Alaska.

In tribute, AFN/SM thanks the following contributors for the success of the 1995 *Iditapledge for Sobriety*:

\$5,000 (+): COOK INLET REGION, DNC; EIXON

\$1,000 (+): Afognak Native Corporation; Alaska Village Electric Co-op, Inc.; Anchorage Partnership for a Health Community; Arctic Slope Regional Corporation; Barrow Bay Native Corporation; Cook Inlet Tribal Council/ANARC; Hical Investment Company; Koning, Inc.; NANA Regional Corp.; National Bank of Alaska; SEW Editions, Inc.

\$500 (+): URC Foundation, Inc.

\$100(+): Alaska Sales and Service; Law Offices of Alcoa Smith; Selskita Corp.; Wilson Jantz; Wilson & Susan Condon

\$10(+): AFN Staff; Alaska Council on Prevention Staff; Alaska Village Initiatives (In-kind); Old Harbor Tribal Council; John Tespon; George Irwin; Jessie Kaleski; Jim La Belle; Ole Olsen; Nelson Angapak; Alissa Herman; Gloria & Reryon Faith Neffertine; Milton Cross; Harold Napoleon; Kevin Demontoff; Betty Carone; Ray Yarnor; Gloria Laroak; Dorothy Laroc; Gen. John Schaeffer (Ret.); Anne Walker; Carl McCoskey

OUR SPIRIT: Strong, Sober...Let It Begin With Me.

AFN/SM Coins Definition for Sobriety Movement; Modifies Mission Statement

Presently, no concept definition can be found on the *sobriety movement* in the fields of social or mental health. So, the AFN/SM Council coined a "concept definition" of its own (5/95): *The collective effort on the part of individuals, families and communities, and every public & private agency, effected by, concerned with, and working toward the prevention of alcohol and drug abuse; who by example, encouragement and support (even employ) those who live a life of sobriety.*

In AFN/SM's maturing role to encourage and support the *sobriety movement* in Alaska, it modified its mission statement to reflect its growing unanimity of purpose:

AFN/SM's "New" Mission Statement

The mission of AFN/SM is to encourage and support the growing sobriety movement in Alaska. It is based upon cherished and practical spiritual values & traditional wisdom's of Alaska's Native people; supporting the collective efforts and activities of individuals, families and communities (public/private agencies), who exemplify, promote and benefit from the pursuit and practice of sobriety: a positive, healthy and productive way of life, free from the devastating effects of alcohol and drugs.

(*AFN/SM Council, May '91)

Inside This Issue

- 1 Iditapledge; AFN/SM Mission, etc..
- 2 29th Annual AFN Convention
- 3 Bethel: Dry Vote Initiative (DVI)
- 4 Sobriety: ... A Paradigm Shift
- 5 Editorials, Events & Highlights

Alaska Federation of Natives Convention Special Resolution

TITLE: **STOPPING THE SELF-DESTRUCTION - BY REMOVING ALCOHOL AND ILLICIT DRUGS FROM OUR COMMUNITIES**

WHEREAS: every modern study of Native problems documents the epidemic of alcohol and drug abuse that is destroying our communities and killing our people; and

WHEREAS: the report of the Alaska Natives Commission, a document written by Natives to Natives, presents a stark picture of "...an entire population at risk...of being imprisoned in America's underclass, mired in both physical and spiritual poverty...leading lives, generation to generation, characterized by violence, alcohol abuse and cycles of personal; and social destruction..."; and

WHEREAS: the Commission's statistics on Native suffering and death due to chemical abuse are worse than anyone had anticipated; and

WHEREAS: the situation is now so serious that little progress on rural economic development, village self-governance, educational reform or cultural preservation can be expected until our people STOP DRINKING; and

WHEREAS: every recovering alcoholic knows that there are only two options; to continue drinking or to stop completely; and

WHEREAS: we as Native people, have come to a point where we must take drastic steps to eradicate alcohol and drug abuse in our villages and are ready to stand up to the resistance and criticism that this effort will elicit from some of our own people, as well as outsiders; and

NOW THEREFORE BE IT RESOLVED that the delegates of the Convention of the Alaska Federation of Natives urge every Native village to use every means available in municipal, state, tribal, and/or federal laws to pursue a policy of "zero tolerance" of alcohol and/or drug use in the community; and

BE IT FURTHER RESOLVED that the Convention urges every village to take the following steps to begin the process:

--enactment and enforcement of an absolute ban on the importation, manufacture, sale, and possession of any amount of alcohol or illicit drug by any person within the community's jurisdiction, with appropriate penalties of community service, monetary fines, and/or incarceration for all violations thereof; and

--enactment and enforcement of a program of active intervention and "protective custody" for any person who is intoxicated or under the influence of an illicit drug within the community's jurisdiction; and

--funding through any available combination of state, federal, community and private resources, of a comprehensive village program of family-based substance abuse prevention and treatment; and

BE IT FURTHER RESOLVED that, if enactment and enforcement of such measures should be blocked by existing state laws, the Convention urges each village to enact and enforce such ordinances through its tribal council and that the Native community exert every financial and political resource to assure that federal law makes the option of tribal alcohol control available to every village in Alaska; and

BE IT FURTHER RESOLVED that the Convention urges the voters of every village, whether organized as tribes, municipalities or both, to elect to all community offices only those qualified leaders who do not abuse alcohol or use illicit drugs.

Alaska Natives Dying From Injuries
Accident, Suicide, or Homicide

1. How high are the risks?

- About 40 Alaska Natives kill themselves each year, about 25 are murdered, and over 100 die by accident.
- Natives are 3.7 times as likely to die by accident as the U.S. average, are 3.5 times as likely to commit suicide, and 3.2 times as likely to be homicide victims.

2. Who is most likely to die from injuries?

- Native men are 3.3 times more likely to die by accident than native women, 7 times as likely to commit suicide, and 2.3 times as likely to be murdered.
- Accident death risks are 70 percent higher in small communities than in urban areas, and suicide risks are more than twice as high.
- Suicide rates are very high -- at least 4 times the national average -- in all parts of rural Alaska.
- Young adults are the most at risk for suicides and homicides. Accidents kill adults of all ages.
- Married people of all ages have much lower death risks, except that married women are just as likely as unmarried women to be murdered.

3. If they persist, how much will the current death rates affect the population?

- Out of 100 15-year-old Native boys living in villages, 22 will die from accidents, suicide, or homicide before they reach age 60 (if they do not die of other causes first). Seven out of 100 girls in villages will also die of injuries.
- Native teens who will never marry have an even greater likelihood of dying of violence before age 60.

4. How long have injury death rates been so high?

- In 1950, suicide rates were much lower than today. Homicide rates were lower, too. Deaths from accidents were even more common, but mainly due to lack of medical care in rural Alaska (non-Native accident rates were also high).
- Suicides and homicides grew rapidly in the 1960s. Suicide rates continued to increase until leveling off in the 1980s.
- Before the 1960s, most suicides were older adults. Suicide rates have climbed in the past 30 years because more young people are killing themselves.

5. What can be done?

- Suicide rates have been high for only the past 30 years -- within lifetime of most of you. Your knowledge of how things worked before is needed.
- In 24 Native villages scattered throughout Alaska with 100 or more residents, no one has died from suicide or murder in at least 11 years. These villages may not just be lucky, and can perhaps share their success with other communities.

FINDINGS AND DATA

Social/Cultural Status

- Native annual birthrate = 36.5 per 1,000, creating large demand for village child development, education, health programs.
- Effective Native public education = bi-cultural (skills and values).
- Native annual death rate = more than three times national average, much of it alcohol-related.
- Native infant mortality and Fetal Alcohol Syndrome rates = more than twice national averages.
- 1988, birth rate to Native girls 15-19 = 2-1/2 times national average.
- 1988, one of every 11 Native children received child protection services.
- 1992, 30% of DH&SS child abuse/neglect/injury reports = Native children (94 per 1,000 Native children, 55 per 1,000 non-Native Alaskan children, 39 per 1,000 children nationwide).
- 1992, almost one of every eight Native males 14-17 spent time in juvenile detention.
- April, 1993, over 27% of Native inmate population had sexually abused a child or other adult.
- Nearly 1/2 all Natives currently incarcerated for sexual crimes victimized children.

Economics

- Village costs of living = exorbitant; village economies = precariously dependent on public expenditures.
- 1990, over 20% of enumerated Native workforce = unemployed, compared to 8.8% of total Alaskan workforce. (Actual Native unemployment rates = much higher, due to uncounted workforce dropouts.)
- In 1/3 of villages, male unemployment = 32% (four times statewide average); in 1/8 of villages, male unemployment = more than 50%.
- About 42% of 16,000 Native males in Alaska's employed civilian workforce = in crafts, trades, service sectors.
- Almost 1/3 of all employed Native women = secretaries or clerks; 1/4 = in service sector (mainly food preparation, custodial).
- Native women = about 60% more likely to work in managerial and professional fields than Native men.
- Alaska's federal agency workforce (except BIA and IHS, with congressional Native preference) = 5.6% Native/American Indian.
- 1992, 4.8% of State of Alaska executive branch workforce = Natives (e.g., Law = 3.8%, DNR = 2.1%, ADF&G = 1.6%).
- 21.5% of Native families = below official poverty income line, compared to 6.8% of all Alaskan families.
- Native families and individuals = increasingly welfare-dependent.

Justice and Corrections

- Non-Native assumption that only "western" justice = justice impedes culturally appropriate village alternatives for dispute resolution.
- April, 1993, Natives = 16% of Alaska's population, 13.5 % of its prison-age-eligible population, and 32% of its inmates.
- Natives = 59% of Alaska's violent-crime inmates and 38% of its sex-offense inmates.
- Most Native crime = alcohol-related; percentages of Native crime that are violent or sexual = far higher than state/national averages.
- 53% of all Native inmates = incarcerated for "most violent" crimes (assault = 14%, sexual assault = 14%, sexual abuse of minor 13%, murder/manslaughter = 12%).
- 1992, about 27% of all Native males 14-17 years old = referred to state juvenile intake system.
- Native murder rate = four times national average.
- Natives = 43% of Alaska's misdemeanor inmates, 39% of its sex offenders, and 41% of its parolees/probationers.
- 1990, Natives = 1/2 of Alaska's second-degree murder convictions, and only 8% of its drug offenders.
- "Charge bargaining" practices, coupled with Native cultural avoidance of confrontation (trials), may contribute to high conviction rates.

Education

- 1981-89, Native FAS rate = 5.1 per 1,000 live births (almost 2-1/2 times North American average).
- 60% of Native students entering urban Alaska high schools do not graduate, compared to 12-15% Native attrition rate in rural high schools; but rural graduates have much lower average achievement levels.
- 1989, Native ACT scores = about 40% lower than non-Native scores;
- Rural schools = 14,000 Native students (7% Native instructors); urban schools = 9,500 Native students (less than 2% Native instructors).
- Rural Alaska students below academic level for age group = above 12%; urban Alaska students below academic level for age group = below 4%.
- One advantage of rural schools = low student-teacher ratios (better chances for instructional impacts).
- 53% of all Alaska students (but 11% of Native students) took Algebra II; 48% of all Alaska students (but 8% of Native students) took chemistry.
- 3/4 of all Alaska students (but 2/3 of Native students) complete high school.
- In some districts, 30% of Native elementary students and 40% of Native secondary students = below grade level.
- Replacing boarding schools with village schools increased graduation rates - but with lower achievement scores than statewide.
- 1980, % of adult non-Native Alaskans with college degrees = five times % of adult Natives with degrees.

Physical/Behavioral Health

- Lack of adequate village sanitation/water systems = primary cause of many Native health problems (e.g., Alaska's highest incidence of Hepatitis B = in southwestern villages).
- Despite \$1.3 billion public investment, many villages have only rudimentary water/sewage utilities.
- Heart disease = 16% of all Native deaths in 1994 (5% in 1950).
- Natives = more vulnerable to serious injury and infectious disease than non-Native Alaskans.
- Formerly low Native cancer rates = steadily increasing.
- 1985-89, Native diabetes rose from 15.7 to 18.2 per 1,000.
- Formerly epidemic TB = no longer prevalent, but far from eradicated.
- Individual substance abuse and other health problems = closely related to dysfunctionality of whole communities (must be addressed together).
- 39% of Natives smoke tobacco (compared to 26% of all Alaskan adults); some Native villages = 60% smoking rates.
- 1980-89 = average of one Native suicide every ten days, reaching 1989 annual rate of 69 per 100,000; preliminary 1990-93 data indicate continuing increase.
- Almost 1/2 of Native suicides = 15-24 year olds, compared to 1/4 of non-Native suicides.
- 1964-1989, Native suicide rate increased 500%.
- 1980-89, 86% of all Native suicides = males.
- Late 1980's, suicide rate of Native males 20-24 year old = more than 30 times national suicide rate for all age groups.
- 61% of Natives live in rural Alaska, but more than 2/3 of 1980-89 Native suicides occurred there.
- 1980-89, 305 Natives (173 males, 132 females) = killed by direct effects of alcohol or other drugs (average = one every 12 days); this Native substance abuse mortality rate (4.1 per 10,000) = 3-1/2 times non-Native rate (1.2 per 1,000).
- 1980-89, cumulative Native "Years of Potential Life Lost" (i.e., number of years individual dies before 65th birthday) attributable to alcohol = 6,607 years (almost five times non-Native rate).
- Native rate of fatal injuries caused by alcohol = nearly three times non-Native rate.
- Native per capita deaths by fire = twice non-Native rate; about 1/2 = attributable to alcohol.
- 79% of all Native suicides = detectable blood alcohol levels.
- Alcohol abuse and criminal acts correlate significantly, particularly in rural Alaska and among Natives throughout state.

CENTRAL THEMES

---"Whatever words are chosen to depict the situation of Alaska's Native people, there can be little doubt that an entire population is at risk...of being permanently imprisoned in America's underclass, mired in...physical and spiritual poverty;...of leading lives, generation to generation, characterized by violence, alcohol abuse and cycles of personal and social destruction;...of losing, irretrievably, the cultural strengths...essential for the building of a new and workable social and economic order;...of permanently losing the capacity to self-govern,...to make considered and appropriate decisions about how life in Native communities should be lived.

---"This lack of well-being, or 'dysfunction,'...was precipitated by a century-long policy of cultural, social and economic assimilation. Rampant unemployment and the virtual non-existence of other economic opportunities,...together with the spiritually and psychologically debilitating intervention of governmental services...has created a culture of dependency. If one theme can be identified as having emerged during the course of the Commission's work, it is Alaska Natives' seeming inability to take responsibility for local economies, governments, schools and other social institutions."

---"...the impact of government on the villages during the past quarter-century, while often materially beneficial..., has been destructive in process. The federal government appears to have believed that "development"...is something that can be done to one group of people by another....The result of this systematic assumption of responsibility and control by outsiders is that village people lost hold of their communities and their children's lives. That is a fundamental fact underlying the contemporary Native...crisis."

---"...There is no end of the downward social and economic spiral in sight. Natives are still the poorest of Alaska's citizens....There has been little, if any, return on the billions of dollars that governments have expended over the past 30 years on what has become, quite literally, a growth industry revolving around problems in the Native community."

---"The true nature of the sickness...throughout the Native villages is the state of dependency which has led to the loss of direction and self-esteem. Everything else is of a secondary nature - merely symptoms of the underlying disease. Programs which are aimed at relieving the symptoms but refuse to relate to the sickness are doomed to fail and may even make things worse."

---"...unhealthy dependence...on outside decision makers and service providers...serve[s] to displace the village councils, natural leaders and extended families. Rather than having to face, acknowledge and deal with problems, the community can turn those problems over to someone else."

---"It is time to accept that the past policy of assimilation has not worked. The federal government and the State of Alaska have repeatedly chosen to ignore this fact. But it is one clearly understood by Alaska Natives. Natives must ...approach the future with the certain knowledge that their world views, their traditional methods of solving problems, their ways of thinking and doing...will be given respect and precedence."

---"The issues confronting Alaska Natives are compounded by their interrelationship:

--Reversal of the cultural and social decay in which Natives are enmeshed seems impossible without improvement in their economic condition. Individuals who believe themselves doomed to an unending future of economic dependency are in such psychological despair that little energy is left for understanding and valuing their heritage.

--Improvement in their economic condition seems unlikely without...an educational system that works...Children and young adults who are deprived of self-respect by a culturally alien school system and then sent into society as functional illiterates without marketable skills cannot improve their economic status.

--An education system that works for Alaska Natives seems out of reach so long as public health problems, family dysfunction, and alcohol and sexual abuse are prevalent. Children suffering from chronic diseases brought on by exposure to raw sewage or Fetal Alcohol Syndrome, children from families in which one or both parents are absent or abusive, and children who must live in communities in which the society...has failed, are ill-equipped to succeed in school, even if school is reformed to accommodate ways of learning particular to...Native cultures."

---"The answer...is not surrender to this multitude of problems, but greater efforts to address all concurrently. Progress in reversing cultural and social erosion will be rewarded by gains in other areas....The forward movement of an empowered Native community...will go far in promoting substantive advances..."

---"...there needs to be a comprehensive approach by the federal and state governments and Alaska Native people themselves...[A]ny piecemeal attempts at reform will fail...The success or failure of one initiative hinges on the success or failure of others. Such a multi-faceted approach...would be a positive... departure from present governmental policy making which is issue-specific and political in approach."

OVERARCHING PRINCIPLES:

--Self-Reliance: "...using the rights they have...from the special relationship of Native Americans with the federal government and...as citizens of the United States and Alaska,...the acceptance of responsibility for individual and community actions... is the key to Alaska Natives' future well-being..."

--Self-Determination: "...policies and programs must, to the largest extent possible, be conceived, developed and carried out by Alaska Natives."

--Integrity of Native Cultures: "Policies and programs...must recognize, take advantage of, and maintain and enhance the traditional values of Alaska Native cultures."

TESTIMONY FOR THE UNITED STATES CONGRESS
Congressional Hearing
November 16, 1995

Written Testimony Prepared and Submitted by
Calista Corporation

Calista Corporation is respectfully submitting the following testimony for the Congressional hearing held on November 16, 1995, in Washington DC, concerning the Alaska Native Commission Report.

INTRODUCTION

Calista Corporation has long been concerned with the economic and social well-being of the Yup'ik people residing in the Yukon-Kuskokwim Delta of Southwestern Alaska. Almost ten years ago, Calista Corporation prepared the first comprehensive written report documenting the deplorable economic and social conditions being experienced by the people of the Calista region. Our report, *The Calista Region: A Gentle People, A Harsh Life*, became the foundation for the statistics used in the Alaska Federation of Natives' report, *A Call to Action*, which was released to the public and submitted to Congress in 1988. As a result of these reports, attention was finally directed to understanding the various economic, social, and political problems of the Alaska Native people and their cultures. In response to Congressional interest in these issues the United States Congress passed legislation in 1989 which lead to the formation of the Alaska Native Commission ("Commission").

Congress is now at a critical juncture for addressing and finding solutions to the problems which continue to haunt the Alaska Natives. A balanced and focused approach is required to ensure that the problems confronting us now will not face us 20 or 50 years down the road.

ALASKA NATIVE COMMISSION

The Commission was established to identify and recommend solutions which are creative, reasonable and doable. While the Commission's report of recommendations does identify strategies and ideas for beginning to address the health and social well-being problems of Alaska Natives, we feel the recommendations are inadequate to ensure lasting resolution of those and other problems. Any effort to alleviate the problems faced by the Alaska Natives must include addressing the heart of those problems - the lack of strong local economies and the lack of employment opportunities in the villages. Solutions to these problems will provide long term if not permanent improvements to the Alaska Native lifestyle. Health and social problems are more likely to be resolved as a result of solving the economic and unemployment problems rather than vice versa. Consequently Congress should approach all these problems from a new angle. It should promote

strong self supporting economies in rural Alaska as a more lasting approach to solving the unforgiveable conditions in many native communities. We must quit trying to cure the symptoms of our problems and address the underlying problem which is the pervasive poverty.

During the tenure of the Commission, Calista Corporation testified at numerous hearings and prepared detailed reports on the condition of the Yup'ik people living in the Calista region. Calista staff worked closely with Commission member Martin B. Moore to identify means of promoting and nurturing economic development in Rural Alaska which would result in the creation of jobs for Alaska Natives. When we reviewed the final solutions recommended by the Commission we were saddened to see that almost all of the ideas that Calista Corporation and Commission member Mr. Moore had developed were absent from the final commission report.

At this time, Calista Corporation would like to submit as part of the Congressional record for this hearing a report we prepared and submitted to the Alaska Native Commission in January 12, 1993. We are submitting the report and this testimony, not as an alternative to the recommended solutions, but to offer a balanced and focused approach.

Calista Corporation sincerely hopes Congress will take the time to review our recommendations. If implemented, these recommendations will greatly benefit both the Yup'ik people and other Alaska Natives.

GREATEST AREAS OF NEED

Alaska Natives face a wide range of problems and the culture is under a tremendous amount of stress and pressure to change. However, the problems and pressures are much greater in some regions of the state. For example, in Anchorage, most Alaska Natives live in homes with running water and sewer; health care services are within a cab ride away at the Alaska Native Medical Center; and the Anchorage School District is one of the best funded school districts in the country. Although finding a job may take a bit of effort, the opportunities for acquiring one are there. In contrast, Alaska Natives living in most villages in Southwestern Alaska and the Calista region do not have any of these services or opportunities. Sewer disposal is often honey bucket haul systems if that; health care comes from a community health aide, if there is one or else it is a plane ride away; there are no jobs, unless you are one of the few Native school teachers or the village store clerk; and the school systems are unable to provide an education comparable in quality to Anchorage's schools.

While this nation races toward new technological heights, the Calista region villages are struggling to obtain the most basic needs and services for the Yup'ik people. One need not be a scholar to sense the bitterness created by joblessness or from smelling the stench of the honey bucket lagoon during spring breakup. Yet these are conditions the people of the Calista region

live with day in and day out. It was not just a coincidence that the examples and statistics cited in the Commission reports and findings focused on villages in the Calista region. These communities became evidence of the problems facing Alaska Native villages because they are the communities experiencing the greatest problems. The extremely poor living conditions and high levels of unemployment simply do not occur elsewhere. It is for this reason alone, Calista Corporation is stressing that the actions adopted or legislation enacted by Congress must focus on the areas with the greatest problems.

Historically, this area of the state has been ignored when it comes to receiving federal and state money to build infrastructure systems such as roads, sewer and water systems or implementing economic development programs. It is a rather sad commentary on the plight of the Yup'it when statistics show that when the United States enters the 21st century, most of the villages in Southwest Alaska still will not have running water or flush toilets.

Calista Corporation knows this is a reiteration of the litany of problems facing Alaska Natives, but there is a point to be made here. Congress' actions must focus on and target the areas of the state with the greatest needs and must be designed to benefit the Alaska Natives most in need. It should be a goal of Congress to recommend program and policy changes which will ensure that all Alaska Natives are able to live without fear of their health, safety and economic well-being. Because of the extreme gravity of the problems facing the people and villages in the Calista region, we urge Congress to give this region extra consideration when making recommendations and proposing solutions for remedying the problems now facing Alaska Natives.

SOLUTIONS MUST BE FOCUSED

Generic, broad-range programs addressing no longer are the answer. In this time of limited funding and tight financial budgets, programs and monies must be targeted to areas and people where they do the most good and are most needed. Priorities for implementing programs and providing funding must be based on need, not on which region or entity has the greatest political clout.

The Calista region has over 25 percent of the state's Native villages located within its boundaries. It also has close to the same percentage of the state's Native population living in these villages, yet the region does not receive 25 percent of the money for programs and projects for Alaska Native people. In fact, state operating and capital expenditures in the Calista region are the lowest per capita anywhere in the state. For example, of the communities lacking sewer and water facilities more than half of the village are in the Calista region. And it is the Calista region which has the highest incidence rate for hepatitis in the state.

If history is any indication, a package of overly broad, statewide policies and programs affecting all Alaska Natives will not be effective for the Yup'ik people. In most cases, the funding and programs go to the more affluent, better-off regions of the state which do not have as great of a need as the Calista Region.

The Calista region is in economic and social distress. The people in the region are having to cope with the rapid transition from a traditional subsistence-based culture to a way of life that combines cash and subsistence economies. This change is impacting every facet of life in the region including the growth of villages, population patterns, the environment, education, development of infrastructure systems, employment opportunities and the social well-being of the Yup'ik people. Even though the Yup'ik people have made social and economic gains, they still have not caught up with the rest of the state and the disproportionate problems confronting the Yup'ik people persist. There are no quick or easy solutions to the problems facing the Yup'ik people.

In recent years, the Yup'ik people have been plagued by alcoholism, suicide, domestic violence and child abuse. Now drug abuse, murder and assault are common events in the villages. These are all signs of a culture under extreme stress and in dire need of help. Much of the social and cultural disintegration now occurring in the villages is the result of a lack of jobs, lack of resources to compete in today's world, and the public's inadequate understanding of what it is really like to live in a village.

Subsistence remains at the center of the Yup'ik culture and society. As a result, it must be protected. In the villages, more and more of the young people leave to never come back. The reason - there are no jobs to sustain them and there is no housing for them to live in to start their own families. The one thing still sustaining most Yup'ik people is their ability to continue living a subsistence lifestyle. However, even that is being threatened by political disputes over who has the right to practice subsistence and where can it occur. Natural resources found in the Calista region are not easily developed because they are far from roads or ports. Consequently, there is little economic development occurring in the region so people are still very dependent on subsistence for food.

Although subsistence provides a basis for living and surviving in a village, the rest of the necessary goods and services must be obtained with cash. For the Yup'ik people, public assistance, food stamps, permanent fund dividends, income from commercial fishing and the occasional construction job are the sources of cash in the Calista region. In Southwest Alaska, there is no Red Dog mine or world-class commercial fishing such as that found in the Bristol Bay area. Because of that, programs and incentives must be implemented by the federal and state government which encourage economic development in depressed areas of the state.

Finally, while other villages and areas of the state are also limited in their opportunities for economic and natural resource development, the opportunities are virtually non-existent in the Calista region. The time has come to take action to change the economic and social conditions of the Calista region. An effort must be made to encourage economic development and attract industries and businesses which can bring jobs to rural Alaska so that problems do not continue to get worse while the Yup'ik people work toward improving their lives. It must be recognized that the Calista region does not have the same level of resources to deal with its problems. There are no tax revenues coming in from property taxes or taxes on the oil industry. No matter how hard this region tries, unless policies and programs change drastically, there will never be the same level of community enhancement as that which occurs in Barrow or other North Slope villages.

LACK OF ECONOMIC DEVELOPMENT

During this hearing, Congress has heard from Alaska's Governor, the Honorable Tony Knowles, that Alaska Natives are in need of jobs and opportunities to develop their local village economies, Native corporations and Native-owned businesses. Calista Corporation fully agrees with the Governor of Alaska and all those who say economic development and jobs are the keys to helping Alaska Natives. Jobs and economic development will allow communities to step into the modern world, rather than continually being viewed as areas comparable to third world countries. It is beyond time for words, both state and federal need to follow through and take positive steps addressing these problems.

The areas of concern (i.e. social, health and education problems) addressed by the Alaska Native Commission are the ones currently most commonly funded and provided for by federal and state entities. Little attention or assistance, with the exception of the passage of ANCSA, has been directed to the economic problems facing Alaska Natives. However, all the problems are interrelated. The introduction of sewer and water facilities alone in the villages in the Calista region would have a monumental impact on encouraging business to come to the region, also improving health and living conditions in the villages. Problems associated with any one of the areas feed off of the impacts created by the other problems being faced by the Yup'ik people. Without improvements to the deplorable economic conditions in the region, it will be necessary to continually provide large infusions of cash to subsidize social programs and try to maintain the status quo in terms of life in the villages which is already substandard when compared to the rest of the Alaska.

Unless things change dramatically, the Calista region is likely to continue to experience severe economic difficulties while the rest of Alaska begins a gradual recovery. The net result will be continued unemployment, with

little or no gain in personal income, and continued decline of the social well-being of the Calista region. There are no easy answers to the problems, especially those involving economic development. Profitable resource development has been an elusive goal in the Calista region, even when the State of Alaska was wealthier. If programs and funding are not targeted to the Calista region, there will be more unemployment, lower incomes, and a continual decline in the quality of life in most of the villages.

The recommendations the Calista Corporation is submitting to this Committee outlines actions which can be taken to improve income levels and employment opportunities in the Calista region and throughout rural Alaska as a whole. The development of a strong regional economy, when coupled with other improvements related to education and health, can lead to significant improvements in the quality of life for Alaska Natives, in particular the Yup'ik people.

In the future, the plight of the villages will only get worse in the absence of systematic efforts to address the problems. Over time there will be even more people competing for the same few jobs because the population and labor force continue to grow. A major obstacle to grappling with the plight of the Alaska Native people is that no one quite knows what to do or what will work. Because Calista Corporation is a regional Native corporation, corporate staff and the Calista Board of Directors are familiar with the Yupik people and Calista region; we know what will work in the Calista region. With that in mind, we ask that Congress seriously consider the actions Calista Corporation is suggesting to this Committee and Congress in the recommendations proposed for the Commission.

A long term commitment to the development of a comprehensive economic development program addressing the creation of jobs in rural Alaska and attracting business to rural areas is needed to make a noticeable change. A solution to many of the region's social, health and economic problems will not be found, until efforts are made to focus on and specifically help the Yupik people develop strong local economies and create jobs in the villages. Some power or powers greater than Calista Corporation must make a commitment to help the region and the Yupik people. Without Congressional assistance few, if any, changes will be made. A comprehensive, long-term cooperative effort by Congress, other Native entities, and the state and federal government is necessary to deal with the overwhelming conditions in the Calista region and other villages in Alaska.

CONCLUSION

To reiterate, a balanced approach including provision for the creation of jobs and greater economic activity in depressed areas is essential to resolving the type of social statistics regarding the Alaska Natives. Without a focused approach, the problems will persevere well into the next century.

Calista Corporation will continue to take an active role in terms of identifying possible solutions to the problems facing the Yup'ik people and we are willing to work with this committee to help develop solutions. Calista Corporation would like to thank this Committee for taking the time and focusing attention on dealing with the problems facing all Alaska Natives. Calista Corporation sincerely hopes this Committee will think about what we have said today and act on it. Congress is one of the last sources of hope for the Yupik people in terms of finding solutions and gaining support for helping the Yupik people survive into the next century.

**FINAL RECOMMENDATIONS
FOR ACTION**

**SUBMITTED TO THE
ALASKA NATIVES COMMISSION
JANUARY 12, 1993**

PREPARED BY:

**CALISTA CORPORATION
LAND & NATURAL RESOURCES DEPARTMENT
ANCHORAGE, ALASKA
JANUARY 1993**

**FINAL RECOMMENDATIONS FOR ACTION
SUBMITTED TO THE ALASKA NATIVES COMMISSION**

INTRODUCTION

Over the last twenty years, the Calista Corporation has dutifully tried to implement the Alaska Native Claims Settlement Act (ANCSA) to ensure that Calista Corporation and the Yupik people of the Calista Region receive the full value of their settlement granted under ANCSA. This battle has been long and expensive. Calista Corporation and the village corporations have faced obstacle upon obstacle in this process. Today, we are not any closer to solving the problems of the Yupik people than we were twenty years ago.

In the last four years, Calista Corporation has advocated identifying and implementing solutions to the problems facing the Yupik people and other Alaska Natives. Calista Corporation took this advocacy role because the Calista Region and Yupik people living in the region are most affected by the problems endemic to Alaska Natives. No other area of Alaska suffers from such extreme living and economic conditions as those found in the Calista Region.

Historically, villages in western Alaska depended upon a subsistence lifestyle. There were few technological needs and few problems. The Native lifestyle was not tied to the cash economy and jobs were not a necessity. During the last 25 years, the Yupik world has changed. Today's village economies are based on a ~~work~~ of cash and subsistence. As the younger, post-ANCSA generation enters the workforce, they must compete for the handful of jobs available in the villages. Jobs are scarce in most Calista villages and unemployment runs as high as 90 percent, with most employment being seasonal. In 1966, the Bureau of Indian Affairs in their report, *National Program Inadequacies and Needs to Better Serve Rural and Native Alaska* reported the following:

"Recent years have brought many new agencies and programs to Alaska with more tools, personnel, and other resources for development. Programs are specifically aimed toward the elimination of depressed areas, poverty, unemployment and underemployment, and unequal economic opportunity, all characteristic of rural Alaska. The need in Alaska is to direct these programs toward the characteristics they were designed to eliminate and integrate them efficiently and effectively with ongoing programs."

After twenty-three years, little has changed. The Alaska Federation of Natives confirmed this in their report, *The AFN Report on the Status of Alaska Natives: A Call for Action*, by stating:

"Over the past two decades, the federal and state governments have invested millions of dollars in rural Alaska. Although important improvements have been made (e.g., public works and improved delivery of government services) the investment has not established an economic base sufficient to enable Natives living in rural villages to build an economically self-sustaining future or to prevent the accelerated disintegration of traditional cultures. . . ."

The absence of jobs in the cash economy is a chronic problem in rural communities where unemployment rates far outstrip the state and national averages. . . For two decades the federal and state governments invested substantial amounts of money in rural Alaska, building houses, water and sewer systems, airstrips, electrical systems, and other infrastructure. Government also made capital investments in community schools intended, in part, to improve the quality of the rural workforce. The purpose of the investments was to stimulate self-sustaining economic growth. . . .

Despite investment in infrastructure and education, in most Native communities, the increase in self-sustaining economic growth has been minimal. . . . To date, the private sector component of the rural economy is skeletal. . . . In western Alaska, as each decade succeeds the last, the idea that private sector economic development is merely a matter of time and capital becomes increasingly implausible. Villages in the region are remote from markets; are saddled with high labor, energy, transportation, and communication costs and must contend with a dearth of local markets and scarcity of investment capital. . . . The absence of entrepreneurial opportunity in western Alaska has frustrated the efforts of ANCSA corporations in the area to develop new local industry and commerce. . . . There is no possibility that ANCSA corporations revenues will ever be large enough to replace the role of federal and state spending in the rural economy. . . ."

How well Alaska's villages survive the coming years concerns Native leaders, including those at Calista Corporation. Careful research and analysis by Calista Corporation indicates that, if the villages in the Calista Region are to survive, they will need viable economies. In addition, the Native corporations will also need to be strong and financially stable. The corporations and villages must have access to the necessary resources -- human, financial, and natural -- to pursue development opportunities, implement programs, and establish policies to mitigate the problems afflicting Alaska Natives. If the Yupik people of the Calista Region are to overcome the difficulties they are now facing, they must have assistance and be given the opportunity to improve their social and economic well-being. They will need tools and resources to develop communities free from the harsh economic and living conditions now experienced by the Yupik people.

Federal and state programs, for which funding is declining, attempt to reduce social and health problems, but have had only a marginal success rate. No program has been able to minimize joblessness in the villages. Studies over the last twenty years show that social change, health problems, and meager economic opportunities have a feedback effect, with each problem exacerbating the others.

There is a great need for increased opportunities in economic development. To counteract dismal economic trends, the state and federal governments must explore new and innovative ways to improve the economic climate of the villages. Action must be taken to reduce the impact of declining funding for programs which benefit the Yupik people and other Alaska Natives. In the Calista Region, the most pressing need is for jobs and economic stability. This need was reaffirmed in 1989. In their report, *A Call to Action*, AFN concluded:

"Every effort to take advantage of limited opportunities for private economic development should be encouraged, and Native access to employment

opportunities expanded. . . Policies and initiatives that target economically realistic improvements in the physical quality of community life and do not undermine options for residents who want to pursue economic opportunities away from their home communities are needed."

Calista Corporation concurs with the above AFN recommendation. However, we feel there are other actions which should be taken to address the problems facing Alaska Natives today. The following is a series of actions identified by Calista Corporation which could stimulate village economies and ameliorate many of the problems plaguing Alaska Natives. We hope the Commission will recommend these actions or similar ones to Congress and the State of Alaska as ways to remedy the problems facing the Yupik people and Alaska Natives. Some of the recommendations are very simple and will require minimal funding or program changes. Others, however, will require the revamping of existing programs and funding sources or the development and implementation of new ones. The range of actions is broad and, in many cases, interdependent upon one another. Most will have a trickle-down effect. For example, by providing safe sewer and water systems in the villages, many health problems will be brought under control.

The stakes are high and the challenges are great. However, there must be a cooperative effort to assist the areas and people in greatest need. The Alaska Natives Commission, the federal and state governments, and Alaska Natives must jointly work together and commit themselves to taking action, developing and implementing new policies and programs to address today's problems. If such action is taken, the difficulties facing Alaska Natives can be overcome, life in the villages can be made bearable, and the Native culture will be in a position to thrive.

RECOMMENDATIONS AND ACTIONS

The following recommendations identify actions which will create self-sufficient village economies, preserve the subsistence sector, expand market and resource development activities, and give the Native corporations a chance to become strong, viable, competitive business organizations. Under each general policy recommendation, we have identified several specific actions which can be taken to mitigate the problems affecting Alaska Natives. If action is not taken soon to help the Yupik people and other village residents, it is very probable that Alaska Natives will leave the villages and the welfare of the remaining village residents will decline.

Economic Issues

In the Calista Region, village economies are based on three related economic elements: subsistence, cash from employment, and transfer payments. Recent growth of local village economies is primarily linked to expansion of the transfer economy (i.e., welfare payments, permanent fund dividends, and other forms of government assistance). Spending by both the state and federal governments creates jobs and increases income in the villages. But as government spending declines, so does the village economy. For many Calista villages, the transfer economy is virtually the sole source of income and local revenue. Unfortunately, with projected declines in federal and state spending, the villages in the Calista Region will be hard hit as less money is spent for capital projects and rural development in Alaska.

Government monies support the vast number of wage paying jobs in western Alaska. According to 1991 figures from the State of Alaska, Department of Labor, federal, state, and local governments accounted for 68 percent of the jobs in the Wade Hampton census area (Lower Yukon Region) and 53 percent of the jobs in the Bethel census area (lower and upper Kuskokwim river areas). After government, services and retail trade provide the most jobs with the remaining jobs being related to seasonal work such as commercial fishing, construction, and fire fighting.

Due to declines in state and federal spending, it is imperative that village economies become self-sustaining. Self-sufficiency can be achieved by preserving the subsistence sector and expanding the market and natural resource sectors. If economic growth in western Alaska is to occur, constraints limiting the economic growth, such as high development costs, little local control over resources, and lack of infrastructure, must be removed.

Village economies in western Alaska are very closely tied to subsistence. As a result, the importance of the non-cash economy to the Yupik people cannot be overstated. Various surveys estimate that between 45 percent and 70 percent of village residents in the Calista Region rely on subsistence hunting and fishing (Alaska Business Monthly, September 1992). Other important sources of cash income are welfare, social security, longevity bonus and Alaska Permanent Fund dividend checks. Residents of western Alaska, especially those in the Calista Region, fall far below the state average for per capita income. The Wade Hampton and Bethel census areas are ranked in last and second-to-last place, respectively. In 1989, Alaska's per capita average was \$20,609.00; in contrast, the average for the Wade Hampton district was \$9,548.00 and for the Bethel area it was \$12,820.00 (Alaska Dept. of Labor).

There is no doubt villages in western Alaska are economically disadvantaged. Because of the region's economic disadvantages, the village economies are not attractive to businesses for economic development. Job creation and economic development must be based on a region's comparative advantages. A village has a comparative advantage only if it can produce something at a lower cost than competing regions. In general, economic development in the Calista Region is limited for the following reasons:

- villages are small and remote;
- limited technical knowledge;
- scarcity of investment capital and money;
- remoteness from basic markets;
- villagers have limited access to and control over local resources;
- not all areas have commercial resources;
- relatively few projects in rural Alaska can meet market tests;
- a significant share of existing jobs go to non-residents; and

- lack of infrastructure development.

For village residents to benefit from economic activity in the villages, they must be able to take advantage of jobs created. During the economic boom of the 1980's, most jobs created in the villages were taken by non-residents. This pattern continues today as teachers, administrative officials, health care professionals, and government employees move to the villages to take jobs. Jobs in the villages are attractive to non-Natives because of the salaries and unique experience of working in the village setting. This pattern of employment best explains why non-Natives continue to move into the villages and village residents remain unemployed.

Recent studies have found that over half the employment opportunities created by public projects in villages went to non-residents, with more than 10 percent of those jobs going to workers who were not even residents of Alaska. This pattern occurs in part because village residents often do not have the skills necessary to fill available positions. For example, few Alaska Natives hold teaching certificates, yet many of the jobs available in the villages are teaching positions or education related. Increased local training, specialized education and certification programs, and adaptation of jobs to the subsistence lifestyle would increase local hire. Rates of unemployment at 60 percent are common and run as high as 90 percent in some villages in the Callista Region (MMS, 1992).

In the March 1992 report, *The Economy of Village Alaska*, it was stated:

"... the villages along the west coast and in the interior have a much less secure economic future. Development opportunities are limited in this region, and its economic well-being depends on transfers from federal and state government. This region best illustrates the economic problems of the villages."

Furthermore, the report went on to state:

"In 1989, per capita income in western coastal Alaska was just 62 percent of the statewide average. Since 1985, unemployment has averaged 17 percent above the state rate, and would be much higher if discouraged workers were counted. . . in many villages a small number of non-Native professionals -- largely teachers -- earn a disproportionate share of total village income. . . Adjusting the estimated regional unemployment rate to account for discouraged workers suggests the real unemployment rate in western coastal Alaska may be over 55 percent higher than the state rate."

Although the oil boom of the 1990's led to new schools and community buildings and an increase in the cash economy in the villages, the long term economic benefits to village residents has been negligible. The growth was not enough to close the significant gaps between the welfare of village residents and other Alaskans. Recent evidence gathered by economists suggests that the growth has done little to reduce poverty in western Alaska.

A second factor limiting economic development in the villages is access to and control over local resources. This lack of control limits the ability of villagers to make the most of local resource production, in which they have a comparative

advantage. For example, although the Calista Region is largely dependent on commercial fishing for its economic base, fishermen in the region have little control over the salmon resources. The fishery is subject to numerous problems, in particular; interception of the runs. In recent years, commercial fisheries have been declining. The declines appear to be linked to interception of the salmon during migration by the fishermen in False Pass. The fishermen on the Yukon and Kuskokwim rivers have no way to stop this interception. Consequently, commercial fishing is becoming increasingly unpredictable in the Calista Region.

While harvest limits are necessary to protect fish and game stocks, restriction on village residents' access to the allowable harvest prevents many Alaska Natives from making the most productive use of those resources. Access may be limited because of externally imposed regulations. Laws such as the federal Marine Mammal Protection Act allow Alaska Natives to take marine mammals for personal use, but it severely limits the ability of the Alaska Natives to market products of the hunt, thereby removing an economically feasible activity for village residents. It has been suggested that an economy based on resource harvesting activities, with fewer limitations on access and control, could support a significant population in rural Alaska (ISER 1992).

In contrast to the boom which many believed would follow the passage of the Alaska Native Claims Settlement Act, resource development in the Calista Region has remained at a low level. This is due primarily to the economic environment and lack of knowledge about the region's resource base. Not every region of the state has economically feasible resource bases, such as a Red Dog mine or a Prudhoe Bay to support local residents. Local resource development is economically feasible only if resources can be produced and delivered to market at a cost at or below the current market price. The total cost of producing a resource is influenced by the cost of labor, development capital, transportation, infrastructure, and the quality and quantity of the resource being produced. Resources may exist, but will remain undeveloped so long as development costs are greater than potential market prices. If development of resources is to occur in areas such as the Calista Region, economic incentives must be implemented to attract exploration and development interests to rural areas of the state.

The lack of capital and tax structure in rural Alaska is frequently mentioned as a constraint to development. There are no tax incentives for businesses and companies taking financial risks to develop resources in rural areas. But above all, the cost of ventures in rural areas of the state is high. Few projects in rural Alaska can meet the market test of earning a rate of return comparable to market costs, unless some form of economic assistance or incentive is offered. The future of the village market economy depends on the future of the natural resource base.

The Department of Community and Regional Affairs' Rural Economic Development Initiative (REDI) staff has estimated that capitalization needs in rural Alaska over the next ten years will be \$2.2 billion for capital projects (infrastructure), \$400 million for economic development, and \$150 million for planning and technical assistance. The grand total of estimated development needs in rural Alaska through the year 2000 comes to \$2.725 billion. This stands in contrast to an estimated ten-year total of \$554 million likely to be spent in rural Alaska, based on recent spending trends, thereby leaving a gap of \$2.2 billion for rural needs (DCRA, 1991).

If a region is to be viable, it must have an economic base. As of today, the Calista Region is without such a base. Those regions of Alaska which are growing and have few social or economic problems are those that have strong local economies and resource development potential, based on timber, fisheries, and oil and gas fields. The communities and Native corporations with access to these resources are not faced with nearly as many economic and social problems as the Calista Region. The Calista Region has had to play a continuous game of catch-up since ANCSA was passed and, as of today, the region has not caught up with any other part of Alaska. Without the development and implementation of economic development programs and incentives, the Calista Region will not have the necessary conditions for sustained, diversified economic growth as traditionally defined. A regional economy cannot be built on a few village stores and an occasional construction project.

Among the major issues being addressed by the Alaska Natives Commission, the two most commonly addressed by federal and state entities are social and health problems. Little attention has been paid to the economic problems facing the villages. Calista's attention, therefore, has been on economic problems and solutions. Although it may appear to be an oversimplification of the problems facing Alaska Natives, much can be done to alleviate social and health problems by increasing employment and economic development opportunities. Without improvements to the deplorable economic conditions in the villages of western Alaska, it will be necessary to continually provide large infusions of cash to subsidize current programs and maintain current social and health levels, which are far below acceptable levels and standards for any American. The following are recommended actions which should be taken to promote and enhance the economic independence of Alaska Natives.

1. LOWER UNEMPLOYMENT RATES IN THE VILLAGES BY ENCOURAGING LOCAL HIRE OF ALASKA NATIVES - Jobs are very scarce in villages; consequently, hiring just one or two people from outside the village may mean that village residents go without jobs. The lack of employment opportunities has a significant negative impact on a village. Under the current labor laws, employers have no incentive or requirement to hire Alaska Natives. Local hire laws were commonplace during the construction of the Trans-Alaska pipeline and proved to be both necessary and instrumental in ensuring that Alaska residents were hired for jobs on the pipeline projects. The following actions could be taken to encourage the practice of hiring Alaska Natives:

- * *Enact laws which require employers to give Alaska Natives preference for jobs in the villages.* For example, PL 93-638 provides for Native preference when filling positions funded under PL 93-638. This type of provision could be incorporated into other federal and state programs benefitting Alaska Natives. If the state constitution prohibits Native preference where state funds are concerned, then those state projects that are partially or fully federally funded should be subject to the same types of preferential hiring requirements.

- * *Develop a bonus system to reward companies or contractors who hire Alaska Natives to work on projects in the villages.* The bonus could be similar to the cash bonus awarded when a project is completed ahead of schedule by a contractor or it could be issued as a "chit" that the contractor could use in his next bid on a public project.

- * Implement regulations which would require state and federal contracts to contain a provision requiring that contractors and businesses who work in rural Alaska hire Alaska Natives for state or federally funded projects, if qualified Alaska Natives are available to work on the project.*
- * Implement a rating system for state and federal jobs which gives Alaska Natives living in economically disadvantaged areas a preference for hiring. The rating system could be modeled after veteran's preference ratings or special preferences given to individuals with handicaps.*
- * Require Native preference on resource development and construction projects occurring on public lands in the state. This preference right could be modeled on Alaska hire provisions implemented during construction of the Trans-Alaska pipeline.*
- * Establish a policy to encourage Native hire in state and federal government positions throughout Alaska.*
- * Provide training in how to apply for federal or state jobs. The paperwork involved in getting on state and federal registers is overwhelming and difficult to understand for many people, particularly those with little or no experience in dealing with bureaucratic paperwork. Simplified forms and information booklets geared to the education levels and cultural perspectives of Alaska Natives would make applying for federal and state jobs less intimidating to Alaska Natives.*
- * Establish state and federal personnel offices in regional centers easily accessed by village residents to provide assistance to Alaska Natives in applying and qualifying for jobs, getting job training, and qualifying for unemployment benefits. Provide financial assistance to municipality or traditional governments that are willing to act as village liaisons for these regional centers in collecting unemployment figures or disseminating employment information/assistance.*
- * Require that a percentage of the labor force on state and federally funded capital projects in the villages be Alaska Natives living in the village. Policies and regulations promoting local hire must be implemented to ensure that Alaska Natives are given priority in filling jobs in the villages.*
- * Give special incentives (e.g., staff training, funding for on-the job training, and technical assistance) to agencies and private businesses which hire Alaska Natives.*
- * Implement a policy requiring federal and state government agencies to hire a specified number of Alaska Natives over the next ten years. The policy could be modeled after the quota systems used by universities and colleges to recruit and admit minority students.*
- * Provide incentives to employers to hire and bring in workers from economically depressed regions of the state. If jobs cannot be created in the villages, then village residents must be taken to the jobs. Nowhere are there better opportunities than in the natural resource and fishing*

industries. Work schedules in these industries are fairly flexible and similar employment practices are already being used with success. For example, fish processing ships commonly hire workers from outside the state and bring them to Alaska to work on factory/processing ships. These businesses could be training and hiring Alaska Natives, if they had incentive to do so.

During construction of the Trans Alaska pipeline, and in existing oil field activities, workers are brought to Prudhoe from other communities to work on rotating shifts of two weeks on and two weeks off. Flexible schedules and shifts would allow workers to return to the village to take care of families and do subsistence activities, while providing them with the opportunity to go work in areas of the state where there are jobs.

2. GIVE PRIORITY TO AND TARGET PROGRAMS AND FUNDING TO AREAS OF THE STATE WHICH ARE THE MOST ECONOMICALLY DEPRESSED OR IN THE GREATEST NEED - In today's world of shrinking money for capital projects, infrastructure, and economic development, it is important to put money and programs where there is the greatest need and they can do the most good. It is no longer feasible to operate and fund large general programs in education, health care or capital spending. Recently, the Anchorage Daily News published a series of articles on the sewer and water crisis in western Alaska. Because of the grave danger to public health and safety, future funding for sewer and water projects should be targeted to those areas which have chronically unsafe conditions.

There must be a recognition in these programs that there are different levels of need across the state. The following policies should be implemented to focus attention and assistance on communities and regions most in need of assistance:

- *Develop and implement a system for determining community need levels for programs and capital project funding.* A ranking system would rank communities from least to greatest need based on unemployment rates, suicide rates, homicide and accidental death rates, health statistics, and income levels in the communities.
- *Create separate programs, qualification criteria, and funding sources for villages and regions with critical health, social, and economic development needs.* Economically disadvantaged villages should not have to compete with urban communities for funding and programs providing services such as sewer and water facilities. Funding should automatically focus on communities with the greatest identified needs for infrastructure such as sewer and water systems, health clinics, and housing.
- *Implement a standard policy requiring programs and assistance be given to regions and groups most in need.* Areas in critical need, such as western Alaska, should receive first priority for funding necessary to raise living and economic standards to comparable levels in other parts of the state.
- *Undertake a comprehensive, state-wide study to determine the needs of rural communities in Alaska.* The object of the study would be to identify which communities are in the greatest need and establish priorities for providing assistance and programs to bring these areas up to minimum living standards.

* *Promote the use and establishment of guaranteed quotas and access to natural resources and resource related industries.* In recent months, the North Pacific Fisheries Management Council has established a quota system for pollock caught off the coast of Alaska. Villages in western Alaska have been given the rights to harvest 7.5 percent of the total Bering Sea pollock harvest. At current prices and harvest levels the CDQ (community development quota) fishery allocation could be worth more than \$20 million to the coastal villages participating in the program. Projects funded through profits from a village's CDQ allocation must help that community become economically self-sufficient. Communities will work with business partners to harvest the pollock. This type of program has helped bring economic development into communities which were in desperate need of developing an economic base.

* *Expand CDQ program to include species other than pollock.* The CDQ program has the potential of becoming a major impetus for economic development for villages on the coast of western Alaska. As the bottomfish industry expands to include other species and quotas are set for these species, CDQ for coastal villages should be established so that the villages may continue developing their role in the bottomfishing industry. Commercial fishing is one of the few industries which is adaptable to the Native lifestyle. It also involves the harvesting of a resource which is readily available in western Alaska. Already, processors involved in the pollock fishery are providing job training to Natives. Participating CDQ villages have been able to negotiate contracts with processors which ensure a certain level of Native hire on the processing ships.

* *Grant exclusive rights to Alaska Natives to engage in certain industries and businesses, similar to those rights which allow only Alaska Natives to herd reindeer.* Exclusive rights and programs could be directed at industries such as reindeer herding, mariculture, and finfish farming. Assistance in developing these industries is also needed. For example, Alaska Natives' legal right to be the sole owners of reindeer herds must be reaffirmed and any loopholes in the law removed. Mariculture and finfish farming are new industries which could be conducted in the villages successfully if the villages are given the opportunity and protections necessary to develop them into competitive business enterprises. Finfish farming is illegal in Alaska currently. Legalizing it on, or adjacent to ANCSA land would provide an exclusive opportunity to Alaska Natives without interfering with established business ventures. Through the use of licensing, quotas, or permitting, Alaska Natives and villages could be granted preference over other groups for developing natural resources and related businesses.

3. PROMOTE AND ENCOURAGE MINERAL EXPLORATION IN REMOTE AND UNDEVELOPED AREAS OF ALASKA - Current public policy prohibits the expenditure of public dollars to do mineral exploration on private lands. This policy, does not benefit the Native people of Alaska. Large tracts of ANCSA land which may have developable deposits are going unexplored. The Native corporations often do not have the cash reserves and expertise needed to pursue exploration and there are few incentives that encourage private industry to explore on these lands. The lack of interest in western Alaska is due largely to

the difficulty and high costs associated with doing exploration in an undeveloped, under-explored, minimally mapped, and geographically isolated region.

Virtually all of the land in the proximity of villages needing economic and energy assistance is owned by ANCSA corporations. The discovery of mineral deposits or oil and gas on ANCSA lands could provide economic opportunities, jobs, and scarce energy resources that do not exist presently, but are critically needed in these regions of the state. Due to the land selection patterns under ANCSA, the villages are now surrounded by private land (i.e., Native corporation lands). Normally, exploration using federal and state money is conducted on public land; therefore, little exploration work occurs near communities surrounded by private lands, although these are the communities that need the benefits that can be derived from this exploration. Furthermore, in recent years, the USGS has spent millions of dollars doing exploration work in southeast Alaska, but comparatively little on exploration work in the Yukon-Kuskokwim Region. The regions which need exploration work to encourage economic development are being overlooked because they are dominated by private corporation lands.

A new perspective is needed -- one which realizes that exploration work on Native-owned land benefits all Alaskans if a world class mineral deposit or oil reserve is found. A good example is the Red Dog Mine which is providing jobs, contributing money to the state's coffers, putting Alaska on the map as a world class mineral producer, and helping improve life for people living in western Alaska. More projects and joint cooperative ventures like Red Dog are needed in rural Alaska.

The primary focus should be the fact that such a program might result in the creation of numerous long-term jobs in areas that lack them or in the development of a local energy source. If exploration activities using public funds were to lead to the creation of one mine in western Alaska, the money will have been well spent. A single mine, as we have seen at Red Dog can make a substantial impact on employment levels and help establish an economic base in a region, thereby reducing the need for government assistance.

There is a critical need for increased mineral exploration in rural Alaska, and particularly, in western Alaska. For example, vast areas of the Calista Region remain largely unexplored for hardrock minerals and oil and gas. In the Calista Region alone, three major oil and gas basins are virtually unexplored. In a geographical area comparable in size to the state of Oklahoma, only one test hole for oil has been drilled. In addition, there has been only limited seismic or reconnaissance work completed in any of the three basins within the Calista Region.

The following actions should be considered for encouraging mineral exploration and development on Native owned lands in order to promote broader public goals in rural Native communities:

- * Allow public agencies, such as the USGS, Bureau of Mines, and State Department of Natural Resources, to conduct mineral exploration and research on Native-owned lands in Alaska. Since Native corporations own 44 million acres of land (12 percent of the land in Alaska), it is in the public's best interest to not write these areas off for exploration simply because they are privately owned lands.

* *Provide incentives through tax breaks for mineral and oil and gas exploration and development activities in economically depressed areas. Private companies need incentive to invest money in high-risk areas with little known mineral potential. Without a financial incentive they will invest in more accessible areas with better known potential, and fewer environmental constraints. Currently, natural resource development companies are more likely to explore in Russia than they are in Alaska because of the state's environmental regulations, high tax rates on oil production lack of financial support for infrastructure, or for loans to develop natural resources in economically depressed areas of the state.*

* *Implement a state and federal policy requiring federal and state agencies to focus a portion of their mineral exploration, research and mapping budgets on those areas of Alaska which have been poorly explored and are economically depressed. It would greatly benefit western Alaska if the Bureau of Mines and U.S. Geological Survey invested more work in this part of the state. Until there is a good body of knowledge about the resource potential of the more undeveloped areas of Alaska, there will be very little natural resource development activity in those parts of the state. Because of market conditions and high cost of exploration, private industry is less willing to invest large amounts of time and money in conducting exploration work in unknown, unexplored areas.*

* *Implement federal and/or state programs which allow public funds to be used by agencies such as the Department of Natural Resources, USGS and Bureau of Mines to conduct exploration activities on ANCSA lands in economically depressed regions. This fund should be accessible directly to Native corporations, as well, for them to conduct exploration or to hire consultants directly.*

4. PROVIDE JOB TRAINING TO ALASKA NATIVES SO THAT THEY MAY COMPETE IN TODAY'S WORKPLACE AND RECEIVE USEFUL SKILLS - A variety of job training and apprenticeship programs are already in place. However, they are not meeting the needs of Alaska Natives because they focus on training individuals for jobs in the urban areas or in trades and industries not located in the villages. It doesn't help to train a man to be a crane operator if there isn't a crane in the village for him to operate. It is unrealistic to expect people in the villages to leave their families, change their cultural values, and forsake the Native lifestyle so they can move to Anchorage or Fairbanks for a job or to get job training. The following actions should be taken to improve job training opportunities for Alaska Natives:

* *Provide funding and training for jobs in the villages. I.e., power plant operation, carpentry, plumbing, electrical work, fisheries-related skills such as hanging nets and building boats, building repair and maintenance, small engine mechanics, cannery and fish processing skills, teacher's aide, bookkeeping, health aides, child care specialists, elderly care specialists, teachers and school administrators, dieticians, to name a few. Emphasis on technical training should begin in the high schools in the region. People often don't leave the village for training because the training they receive will not qualify them for a job in the village. Simply sending people to voc-*

tech training in Seward or elsewhere is not the answer. Training must provide usable skills that will qualify the trainee for existing jobs in the village today.

- * *Provide financial incentives to contractors and businesses who provide on-the-job training to village residents on construction projects being undertaken in the village.* For example, an employment program might pay part of a worker's wages (similar to JTPA or on-the-job training programs).
- * *Provide vocational and apprenticeship programs in areas accessible to the villages.* For example, a job training center could be established in Bethel, Dillingham, etc. Since many people have family and friends in regional centers, the move for training wouldn't be nearly as expensive or stressful as going to Anchorage or Seward. It is very costly for people to go to the Skill Center in Seward, consequently many people do not go for training.
- * *Establish a post secondary vocational education facility in the Colista Region.* The University of Alaska's Kuskokwim campus is underutilized. This facility could be used to conduct vocational training-classes and develop work-study or job training programs that teach students skills that can be utilized in jobs available in the villages.
- * *Provide employers and Alaska Natives with cross-cultural training to familiarize them with job expectations and what it takes to succeed in the work force.* Where appropriate, promote the use of two-week on/two-week off work schedules; allow time off for traditional activities such as funerals for extended family members and subsistence hunting and fishing; allow flexible work hours which permit individuals to care for children or elderly family members (many people live in extended family situations), or take classes which improve job skills or education level.

5. FOSTER NATIVE CORPORATION PARTICIPATION IN PROGRAMS AFFECTING THE SOCIAL AND ECONOMIC WELL-BEING OF ALASKA NATIVES - The ANCSA village and regional corporations are an existing vehicle in rural Alaska capable of fostering economic and social programs if given the opportunity and funding needed to implement programs, services, and start up business ventures. This was the goal of Congress when they passed ANCSA creating corporate entities. We must remember the corporations are the creations of Congress. They were established for economic and social development reasons, however, they were not given the proper tools or funding to succeed in this goal. This short fall can be amended; however, and the goals that were envisioned for these corporations may still be accomplished by taking the following actions:

- * *State and federal agencies should be required or encouraged to use the Native corporations as the conduits they were intended to be to stimulate economic development and deliver services to village residents.* This can be done by broadening laws and programs to allow the Native corporations to administer programs, receive grants, and provide services commonly administered by state and federal agencies or non-profit corporations.
- * *Modify grant and program regulations to allow for-profit Native corporations to receive grants and funding for job training and economic*

development. Currently, most programs require funding to go through a non-profit organization. This isn't always efficient because the emphasis of the non-profits tends to be on social services (education, health care, child welfare etc). Non-profits usually don't have staff trained in business decision-making and investments. The ANCSA corporations were created to function as businesses and provide economic development opportunities to Alaska Natives. However, their for-profit status prohibits use of state and federal grant monies earmarked for economic development programs and projects.

- * *Provide low-interest loans, tax incentives, and loan forgiveness programs for creating pilot programs, investing in developing technologies, or starting businesses in rural areas of Alaska.* Financial incentives must be provided to corporations, private businesses, and industries to encourage investment in the villages. Because of the high financial risk and start-up costs associated with business ventures and development in rural Alaska, companies are not willing to invest or risk large sums of capital in Native villages. Under the present system, Native corporations are limited in their ability to finance business ventures or participate in the development of fledgling industries. Native corporations have fiduciary responsibility to shareholders to pursue business investments and projects which are profit-making; therefore, they must minimize their involvement in high-risk business ventures even in their own villages. These financial incentives could be the difference between business profitability or loss or even whether a business is started.

- * *Include the Native corporations in the development of state-wide economic development plans.* State agencies do not always solicit comments or participation by Native corporations on these issues, even though they may have valuable insights and knowledge. Typically, projects go to consultants or non-profit groups who lack experience, knowledge and expertise in the area of business or general economic development. For example, the regional Native corporations, from Calista's experience, have had virtually no role in the development of the ARDORs in the Calista Region while non-profits have dominated these programs. Since the ANCSA corporations are regional entities whose primary mission is to undertake business ventures, encourage economic development and function in the world of business and development, they have much to offer these programs.

- * *Implement target programs with ANCSA corporations that focus on economically depressed areas in order to improve the standard of living and provide economic development assistance to communities developing local industries such as bottomfishing, fish processing, boat building, cottage industries, tourism, light manufacturing, etc.* Recent studies have shown that economic development can be stimulated by focussing on developing local natural resources and adding value to existing products. Typically, value-added products such as agricultural, fishery, forestry and animal products are natural resource derived. Related development opportunities are small-scale processing plants; specialty food processing facilities; and exclusive agricultural production facilities, such as finfish farms or oyster farms.

* *Promote the practice of giving preference and awarding service and purchasing contracts to Alaska Native-owned and operated businesses for projects involving the construction, operation, and maintenance of state and federal facilities. Whenever possible, goods and services should be purchased from Native-owned businesses. This will ensure that these enterprises receive enough business to stay in operation and grow into strong businesses. In many cases, if goods are purchased in a village, these types of deals will bring a much needed infusion of cash into the community.*

6. PROVIDE LOW-COST, ENVIRONMENTALLY SAFE ENERGY AND POWER TO VILLAGES - Energy is one of the biggest barriers to new industry in rural Alaska. If the product takes power to manufacture, or to ship to markets, the cost becomes prohibitive for many areas. Rural Alaska needs more economical energy sources. Fuel costs must be brought under control. Supplying electrical power to villages in rural Alaska is very expensive due to the high costs of shipping bulk fuel to remote areas to operate diesel generators. Power plants require continual maintenance, and repair costs are high; fuel spills are common; fuel storage facilities are outdated and unsafe; and the cost of producing electricity is expensive. It is not uncommon for village utilities to be running in the red and constantly on the verge of breakdown.

Inadequate and environmentally unsound power systems provide electricity and heat to homes, health clinics, washeterias, and other public facilities. Unfortunately, village residents have no choice but to rely on diesel-generated electricity and diesel fuel for heating even though the costs increase with each passing year. As state revenues decline, it is highly probable that the states power cost equalization (PCE) will be abandoned. Ending of this assistance will mean most families will not be able to afford electricity. Exploring the use of alternative energy power generating systems and improving the efficiency of power distribution in rural Alaska is required so that village residents can continue to have electrical power.

Energy is one of the greatest barriers to new industry in rural Alaska. If power is needed to manufacture a product, or to ship it to markets, the cost of producing that product becomes prohibitive in rural Alaska when compared with urban areas of the state or other regions of the country. Rural Alaska needs a more economical energy source than the system of individual generators in villages. The following are actions which may be taken to bring more affordable and efficient power to western Alaska:

* *Investigate the use of alternative energy systems and fuels in village Alaska. Pilot projects using local resources such as hydro, coal, and natural gas should be tried in communities adjacent to such resources. Funds must be allocated to search for these energy resources. The cost of using diesel fuel is becoming extremely risky to the environment and expensive. Soon it may be impossible to provide non-subsidized electricity to the villages.*

* *Implement a study to evaluate the true cost of providing power to rural communities using existing power generation systems. The use of diesel generators is costly, environmentally unsound, and inefficient. The full cost of this energy source in rural Alaska has never been adequately documented since many costs are hidden and as yet unquantified. A good example is fuel*

leakage. Without monitoring and enforcement of hazardous material laws regarding these spills, the costs to these communities in the future to remediate the problems often associated with fuel spills is unknown.

* *Develop regional power generation and distribution facilities in rural Alaska in order to improve the level, quality and efficiency of providing power to villages.* Power generation facilities and lines which interconnect and provide power to many communities from a single source should be encouraged and funded because such systems are more efficient, reliable and cost-effective than separate diesel-fired generators in each village. Regional power systems are commonplace in southcentral and interior Alaska, but little has been done to develop these systems in western Alaska. Interconnecting lines between villages from a larger central generating facility would eliminate the need for individual generating facilities in each village thereby reducing maintenance costs, ensuring the provision of power from a reliable, energy-efficient central utility and providing a way to keep the cost of power to village consumers affordable. Numerous hazardous waste problems would be minimized as well.

* *Study the feasibility of using regional utilities in rural Alaska, similar to Chugach Electric, Alaska Village Electric Cooperative, or the Tlingit Haida Regional Electrical Authority.* A regional utility or electric cooperative has the potential of providing more efficient electrical service in terms of maintenance, production, and operation, than the small, individual systems presently being used in villages. With the ever increasing cost of diesel fuel, high liability risks related to fuel spills and compliance with environmental laws, and potential elimination of the state power cost equalization (PCE) program, there is a need to identify the best method of ensuring that villages get affordable power. The current system, in which a village, traditional government or some other local entity runs the electrical plant in the village is not efficient or cost-effective. Every process or action is done on a piece-meal basis and there is a tremendous duplication of services and expenses for collecting utility bills and operating the generator plants. If feasible, a funding program using loans, grants and joint-ventures should be established to assist in the development of regional utility companies in rural Alaska.

* *Develop a statewide program promoting research, development and use of local alternative energy systems, including but not limited to: small coal fired plants; run-of-the river hydro; shallow gas exploration; and grant programs supporting research and development.* Without incentives, companies have little reason to pursue new technologies that could provide affordable power to rural Alaska. Affordable power would help make housing more affordable, provide jobs and encourage development of resources in remote areas of Alaska. It would also continue delivery of electricity to many communities after power cost equalization ceases to exist and Clean Air Act requirements and shipping liability laws close small diesel plants.

* *Provide funding to study the potential of local alternative energy resources (geothermal, low-head hydroelectric, run-of-the-river hydroelectric, solar, wood, coal, natural gas, and wind) to produce power in remote areas of Alaska.* Funding should be made available for implementing

pilot projects using developing technologies and/or alternative energy resources. Development of new technologies and alternative energy resources is the key to providing low-cost power to rural areas of Alaska.

* *Consolidate existing electrical utility delivery systems. Currently, there are many small electrical utilities that exist in each village throughout the Y-K delta. These utilities serve just one village and are able to operate only because of subsidies received from the state of Alaska as part of the state's power cost equalization program and continued support from AEA for acquisition of capital items. These systems are expensive to operate, subject to frequent breakdowns, environmentally unsound, and inefficient in terms of management and providing power. Consolidation could be accomplished by providing funding and technical assistance to create and operate a regional utility management entity which would take over the operation, maintenance and management of the various utility operations being operated independently throughout the Yukon and Kuskokwim river areas.*

* *Evaluate the power needs of villages and restructure the rural power system in Alaska to best meet the needs so that power can be provided to the villages at an affordable level using local resources, interties, and modern technology.*

7. PLAN AND IMPLEMENT A STATEWIDE PROGRAM FOR BUILDING A REGIONAL TRANSPORTATION SYSTEM (I.E., ROADS, AIRSTRIPS, PORTS) IN ECONOMICALLY DEPRESSED AREAS OF ALASKA - The state of Alaska must focus on building a transportation system which links economically depressed regions of the state to more prosperous areas of the state or even within a region. Connecting villages to one another provides the opportunities of expanded markets created by united villages. The state's present transportation system is woefully inadequate because it does not facilitate the movement of goods and provide easy, safer and convenient access to remote areas with resource development potential.

In general, the transportation infrastructure and facilities in the Calista Region are substantially below acceptable standards. The remoteness of the villages, coupled with the lack of economic activity and environmental constraints, contribute to the high cost of construction and maintenance of infrastructure in rural Alaska. Improvements to the Calista Region's transportation network is clearly needed. Not surprisingly, the lack of an interconnected region-wide transportation system has affected the Calista Region's ability to attract outside economic development, especially in the areas of mineral exploration and tourism. It's difficult to operate tour buses when there are no roads, or to move ore to barges if there are no roads or loading docks in place.

The transportation needs of village and rural Alaska are very different from the needs of Railbelt towns or large cities like Anchorage, Juneau and Fairbanks. Villages and rural areas of Alaska should not have to compete for the same pot of money as these other parts of the state. In the future, if the state is to grow, it must begin to expand its rural transportation system. An improved transportation system would aid resource development and help reduce transportation costs and

reliance on air services for moving people and goods between villages and to and from other parts of the state.

Specific actions which should be taken to improve the state's infrastructure system in undeveloped areas of Alaska include:

- * *Prepare and implement a statewide transportation plan for economically depressed areas of Alaska which identifies priorities and provides for development and construction for roads, landing strips, ports, and loading facilities within or near communities which have commercial, industrial, recreational or resource development potential.*
- * *Construct a road between the Yukon and Kuskokwim rivers to open transportation from outside the Calista Region. By linking these two rivers, goods and services could be brought into the Kuskokwim Region for less cost, and the season for transporting goods would be lengthened.*
- * *Build local interconnecting roads between villages. For example, villages along the middle Kuskokwim could be connected by a local road system from Aniak. Such a system would allow goods and heavy freight to be brought into Aniak by barge and then transported by local vehicles to nearby villages. A road system would reduce the need for these villages to import everything they need by air freight and would be the most direct means of reducing transportation costs for goods into these communities.*
- * *Revise federal regulations applying to the Bureau of Indian Affairs which preclude them from using funds to build roads for projects other than access for housing, woodcutting sites and for traditional subsistence activities. The BIA is one of the few agencies which can directly fund and assist Alaska Natives. Because of the serious lack of infrastructure in the villages, the BIA should be allowed to build roads for any purpose benefitting the community. The current policy is too narrow and does not provide a full range of benefits to Alaska Natives.*

8. STIMULATE VILLAGE ECONOMIES AND PROMOTE ECONOMIC DEVELOPMENT IN ECONOMICALLY DEPRESSED REGIONS OF THE STATE -

Attracting industry and economic development into economically depressed areas such as western Alaska should be a primary goal of both the state and federal government as a means of creating jobs. Creative, innovative, and long term programs are needed to attract private industry into these areas of the state. Private industry and development businesses must have a reason to come to these areas. Their economic risks in investing in rural communities must be minimized.

Mining is an industry that can be adaptable to the lifestyle of the Alaska Native because work is done outdoors and jobs can be scheduled on a rotating basis, thereby allowing individuals to continue subsistence activities but also have a rewarding and meaningful job which can support a family. This type of work addresses the needs of young men in the Calista Region. They suffer the most tragic problems because of the lack of economy in our villages.

Development of infrastructure systems for western Alaska can be phased in over a period of time so that the costs are incremental and not excessively burdensome to the state or federal government. A commitment by the state would demonstrate the state's sincerity in supporting the development of natural resources in this area of the state. In turn, infrastructure systems aid the Native corporations in attracting investors into rural areas of the state. A cooperative effort is needed if natural resources in western Alaska are to be successfully developed. So long as the costs of infrastructure development and site preparation remain uneconomical, there will be little exploration or development of natural resources in remote areas such as the Callista Region by the private sector.

Incentives which have been successfully used in other states or in the past in Alaska include: tax incentives, such as reduced capital gains taxes; increased tax deductions for investment in infrastructure or natural resource exploration activities; long-term, low-interest development loans; accelerated amortization schedules; state funding for roads, airstrips and other infrastructure; enterprise zones; and investment credits for tax purposes. These same incentives should be considered for encouraging economic growth and development in rural Alaska.

All incentives should be designed to encourage industries and businesses to build, joint venture, support or do business with village businesses, Native corporations, and village residents. Programs and incentives which are implemented should do the following:

- * identify the most depressed villages and concentrate on providing incentives to make these villages attractive to outside industry and businesses;
- * make existing village resources attractive (i.e., improve sewer and water systems in coastal villages so fish processing facilities can be built and capitalize on the growing bottomfishing industry);
- * use manpower available in the villages (ensure that local residents have adequate skills and education to work in local industries);
- * make locally produced products competitive;
- * give sole source contracts on state and federal projects to businesses based in the villages;
- * reduce expense to developers of projects by funding road construction or building of transportation facilities such as docks, airstrips and landing facilities to haul goods in and out of a community;
- * provide low-interest loans, with forgiveness benefits if the project succeeds, for development of high risk industries such as mining, commercial fishing or light manufacturing;
- * provide loan guarantees on projects in rural Alaska, so that banks and others may be more willing to loan money for development projects in rural areas; and

- * restructure tax laws to provide tax breaks to businesses and companies investing or engaging in business in economically depressed areas. Tax incentives are a proven way to aid Alaska Natives. The NOL tax provisions saved several Native corporations from bankruptcy and gave others much needed cash to keep operating or invest in profitable business ventures.

Specific actions which could be taken to promote economic development and assist economically depressed areas of Alaska include the following:

- * *Promote and support the creation of service related industries and light manufacturing businesses in Alaskan villages on a scale suitable or compatible for each community.* The state of Alaska, via the Department of Commerce and Economic Development, should educate the business community about the untapped potential and the benefits of encouraging business and economic development in rural Alaska.
- * *Implement programs and policies to encourage development by using economic development grants; long-term, low-interest loans; long-term purchase agreements for goods and commodities produced in economically depressed areas; service contracts; tax incentives and moratoriums; utility subsidies; and assistance with infrastructure costs through the sale of bonds or other financing.* Assistance and incentives would have to be long term to give businesses an opportunity to amortize their investment, recapture start-up costs, establish a solid market, or learn the business operation.
- * *Develop a federal and state supported infrastructure plan to build roads and transportation links between communities and provide clean water, affordable power and safe sanitation facilities in villages in rural Alaska that are without such facilities and services.* Safe, reliable infrastructure systems are necessary if industries are to be attracted to rural Alaska. Fish processing plants need a reliable, safe, clean water supply to process fish. Mining companies need roads into mining areas so that they can transport supplies, move equipment, and move the product to market. Currently, areas of Alaska with sizable mineral deposits go undeveloped because there are no power grids, airstrips, ports, roads or other means of access into the area.
- * *Develop special loan, grant and revolving fund programs for funding infrastructure, pilot projects, and business ventures in severely depressed areas, such as the Calista Region.* Entities such as the Alaska Energy Authority, Alaska Industrial Development Authority, or and the Small Business Administration could act as the administrative agencies for such programs. Assistance could be in the form of grants, long-term, low-interest loans, utility or infrastructure subsidies, technical assistance and other services to companies and businesses which pursue economic development in economically disadvantaged regions of Alaska. It must be recognized that businesses and companies will need financial support and/or incentives to go to remote or depressed areas of the state.
- * *Promote natural resource exploration on federal, state and private lands.* Much of the state of Alaska still remains unexplored or untested in terms of mineral and oil and gas potential. Private businesses need a receptive political climate if they are to be attracted to the state to do exploration

work. Alaska has the reputation of being anti-development. If natural resource development is to continue in the future, this image must be dispelled. Policies that encourage rather than discourage exploration or development are necessary.

* *Finance exploration on federal, state, and Native-owned lands. By identifying and establishing the quality and quantity of Alaska's mineral resources it will be easier to attract mineral companies into the state to develop the resources. Exploration on state and federal lands has a "spill-over" effect on adjacent Native corporation lands, which may also become attractive for mineral exploration if they are of similar geologic character or proximal to major deposits. Natural resource development can lead to well paying jobs near villages. However, if there is to be resource development in areas such as the Calista Region, action must be taken to make exploration and development attractive to private industry.*

* *Promote and encourage the development and expansion of existing industries, such as the bottomfish industry, in economically depressed areas; in particular, western Alaska. This can be accomplished by: maintaining the use of special catch quotas (exclusive fishing rights and quotas); giving tax-breaks/incentives to processing facilities locating in these areas; granting low-interest loan programs to businesses, corporations and individuals for boats, processing facilities, equipment and start-up costs. These policies are already beginning to work and need to be continued and expanded.*

Villages in western Alaska, which have been guaranteed rights to a specific amount of the pollock catch (CDQ's), have become very attractive places for investing in the bottomfish processing industry. Major trawling and processing companies have developed partnerships with western villages to harvest and process the fish granted to these communities under the new allocation system for bottomfish. Prior to the establishment of the quotas, these communities previously had little or no economic base. They now have a commodity to sell and develop. Commercial fishing is a natural industry for villages because many village residents are already commercial and subsistence fishermen. The commercial fishing industry also lends itself to traditional lifestyles of Alaska Natives. This single program has the potential to bring millions of dollars into villages that only a year ago had no hope of economic development. Similar programs for halibut, cod, herring, crab and other fish species should be considered.

* *Promote and encourage the development of mariculture and aquaculture in Alaska. These industries have the potential to provide both needed jobs and a new protein source to the villages.*

* *Expand the limited entry program for commercial salmon fishing to allow Alaska Native fishermen to enter the commercial salmon, herring, or halibut fishing industry. Commercial fishing is one of few profitable economic activities that individuals located in rural Alaska can enter, however, the prohibitive cost of fishing permits keeps many Alaska Natives out. They cannot afford to buy a permit and gear, and they have little means of obtaining financing for purchasing a permit.*

- * *Provide financial incentives or create financing programs which can be used by village and regional corporations to invest and undertake business ventures and develop resources on Native-owned lands.* With the recent failure of many banks, most Alaskan banks have withdrawn from commercial lending, despite the fact that rural commercial portfolios have been good performers. In March 1991, the State of Alaska Department of Community and Regional Affairs reaffirmed that even with the presence of rural loan programs and strong Community Reinvestment Act regulations, the debt capital shortage remains critical in rural Alaska. Income tax provisions which allowed Native corporations to sell their net operating losses (NOL's) brought much needed cash to the Native corporations. In fact, the money received from NOL sales saved several regional corporations from bankruptcy. The income from these sales has been used to pay off debts, start-up businesses, and set aside for future use or to pay shareholder dividends.
- * *Restructure grant and economic development programs so that the Native corporations can more fully participate in the planning and management of economic development in rural Alaska.* For example, the establishment of local economic development councils under the Alaska Regional Development Organizations (ARDOR) program was implemented and organized through non-profit groups, such as the Association of Village Council Presidents (AVCP) and Kuskokwim Native Association (KNA). These organizations are typically geared more towards working with social, health and education problems than economic development. Because the village and regional corporations were created to function as business corporations, they should be the lead entities for programs such as the ARDOR's. The Native corporations are experienced with operating businesses, they have a legal mandate to be profit-making, and they are the entity most likely to be able to undertake a business venture or secure financing for a project. Agencies must give the Native corporations the necessary tools and an opportunity to fully participate in the growth and development of rural Alaska.
- * *Restructure existing business-and-development loan and grant programs so that they maximize the availability of state and federal grants and loans pertaining to community and economic development projects.* Establish revolving loan funds which can be used only for projects and business ventures in rural Alaska. The State of Alaska should support the Small Business Investment Corporations (SBIC), Minority Small Business Investment Corporations (MSBIC), Business Investment and Development Corporations (BIDCO), or other equity facilities usually found in the public capital environment. There is a need for an imaginative risk pooling approach to underwrite risk gaps such as rate of return gaps (DCRA, 1991).
- * *Emphasize research, planning, and technical assistance in economic development in villages in Alaska.* The State of Alaska, in conjunction with the University of Alaska and the Institute of Social and Economic Research, should develop a program which encourages universities and foundations nation-wide to study the problems of Alaska Natives and develop innovative solutions. Universities look for new areas in which to do projects, case studies, and research. For example, the Harvard Graduate School of Design studios work on projects relating to economic development. Universities,

such as Harvard might be interested in researching and developing innovative methods for stimulating rural village economies. Another option would utilize the University of Alaska faculty to act as advisors to rural development projects with students functioning as local researchers. Already ISER has contributed valuable studies and recommendations addressing problems facing Alaska Natives. This relationship should be maintained and used to the fullest extent possible.

* *Implement more low-interest loan and revolving loan fund programs which are targeted specifically to providing capital for projects in rural Alaska.* Such loan programs could include special forgiveness benefits on loans for the establishment of businesses and industries in villages. For example, a portion of a loan could be forgiven if the business was in operation for five years and provide a specified number of jobs in a community. If businesses are going to be attracted to rural Alaska where risks are high, they must be given some sort of financial incentive to invest there, as opposed to investing in urban areas where there are larger markets and in-place supply systems.

* *Highlight successful businesses as models for those willing to take entrepreneurial risks to develop new businesses in the villages, and provide incentives which encourage these businesses to follow through with commitments which create economic diversity in rural areas.* The Economic Diversity Program is providing a study to determine what alternative economic opportunities are available to southeast Alaska communities. Similar studies must be conducted in western Alaska. Funding could be federal, state, industry, private, or any combination thereof. The focus of the studies should be on value added products (i.e., feasibility of specialty processing of salmon or marketing of reindeer products).

9. IMPLEMENT A POLICY OF JOINT COOPERATION BETWEEN THE STATE AND FEDERAL GOVERNMENTS AND ALASKA NATIVES TO RESOLVE CONFLICTS ON LAND AND DEVELOPMENT ISSUES

- The state of Alaska has had a long-standing history of conflict with the Alaska Native corporations on land and development issues. Over the years the corporations have gone to court repeatedly to protect Alaska Native interests. Recently, litigation involved subsistence rights and reapportionment of election districts. In the past, litigation concerned navigability of rivers and lakes on Native-owned lands and easements across ANCSA lands, and state protests of Native Allotment claims throughout the state. Native corporations should not be treated as adversaries, but rather as landowners which deserve the same treatment and respect that is given to other landowners in Alaska.

* *Work cooperatively with Alaska Natives to develop policies which foster cooperative management of land and resources on state, federal and Native-owned lands.* There are many unresolved conflicts between management philosophies, policies, and needs of adjacent landowners and managers. There is no forum short of litigation to arbitrate or cooperatively to find solutions to these conflicts.

* *Reestablish and fund a joint federal, state, Native land management entity similar to the Joint Federal State Land Use Planning Commission (JLUPC) to*

address and coordinate research and policy development on issues affecting the use and management of land and natural resources in Alaska.

** Improve interagency communication with Alaska Native Corporations and village governments. There is a lack of good interagency communication; each appears to operate independently and too often the issues become jurisdictional battles. There is no comprehensive long range planning for rural development for Alaska. There are pieces of long range plans for specific interests, but necessary coordination has not occurred, nor do these efforts really focus on the problems facing Alaska Natives and rural residents. There is a lack of agreement or understanding between urban factions and rural factions. Most issues end in a we/they adversarial confrontation, with little win/win opportunity. This factionalism must be minimized.*

** Establish a policy that state agencies, such as the Department of Transportation and Public Facilities, must compensate Native landowners for the use of land and natural resources used for public projects. All too often, agencies ask the Native corporations to provide free land or sand and gravel for construction projects in the village. The explanation offered for these requests is that the projects benefit the community. In urban areas these requests are not made of private landowners. Instead, the landowner is compensated for any taking of his land or natural resources from his land. It is unfair to threaten cancellation of a village project if the corporation does not donate the land.*

10. SIMPLIFY STATE AND FEDERAL GRANT APPLICATION AND ADMINISTRATION PROCESSES AND PROGRAMS - Although the state of Alaska and the federal government both have a wide variety of grant programs which could benefit Alaska Natives, much of these funds never reach Alaska Natives that have the greatest need. Many Native organizations do not get grants because they do not have staff experienced in completing grant applications or administering grants. The bureaucratic red tape involved in the various grant programs simply overwhelms most Native organizations or traditional governments. Because grants are an important source of money for health and social services, building and maintaining community facilities, job training programs, and other activities, the state and federal governments have an obligation to ensure that Alaska Natives and their organizations have the skills to apply for, manage and fully use available grant and funding programs. In essence, greater flexibility is needed in grant programs directed at Alaska Natives. To provide this flexibility the following actions can be taken:

** Provide training and technical assistance in grant writing and management to Native organizations and IRA and traditional governments.*

** Amend grant regulations so that Native corporations can apply for grants to implement programs they might not otherwise get involved in, such as job training or setting up a pilot program for industries in a village. As for-profit businesses, Native corporations are well suited to undertake economic development projects, make investments in business ventures or act as business partners. It has been said ANCSA was a "grand experiment." Lets experiment more with the "child" created by ANCSA and see if it can be the proper vehicle for positive change in the villages.*

- * *Encourage the use of grant money as seed money for long-term economic development.* Non-profit corporations typically focus on social, education and health related programs. Non-profits have sometimes supported the adoption of policies that make it very difficult and cumbersome to initiate economic development in a region. Although, on the surface these policies may appear to provide benefits by protecting the environment, they actually harm village residents because they impede natural resource development, thereby discouraging industry or businesses from coming into the region.
- * *Simplify the grant application process for programs benefitting Alaska Natives, i.e., paperwork reduction, more understandable applications, less cumbersome requirements for administering the grant, greater ease in implementing accounting and reporting requirements, and more flexibility for giving grants to first-time recipients.*
- * *Establish a program to research and identify private foundation money that could be used by Alaska Natives for economic development projects and addressing various problems facing Alaska Natives.* The program could include establishing an office which provides grant and proposal writing assistance and acts as an advocate for applicants.

Alaska Native Claims Settlement (ANCSA) Issues

Implementation of ANCSA has placed large demands on both Calista Corporation and village corporations. Section 2(b) and 2(c) of ANCSA state that "the settlement should be accomplished... in conformity with the real economic and social needs of Natives... no provision of this Act shall replace or diminish any right, privileges, or 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..." The terms of the settlement were based on consideration of the extreme poverty and underprivileged status of Alaska Natives generally. The intent of the Act was to provide Alaska Natives with adequate resources to permit them to compete with non-Natives and to give them the means to raise their standard of living through their own efforts. Although there has been improvement in some regions of Alaska in living standards, ANCSA was generally not the reason for the change. In actuality, state and oil industry spending was the catalyst for improvement of living standards in Alaska, with most of the benefits going to the urban and railbelt areas of the state.

At the time of ANCSA's passage, Congress and individuals expected that the corporations would administer the settlement that would serve as the vehicle for achieving far-ranging goals related to social and economic development. ANCSA was to be the vehicle by which Alaska Natives would realize a higher standard of living and self-sufficiency, both through direct settlement benefits and through efforts initiated by the village and regional corporations. The corporations were to provide and promote activities and programs which would enhance the health, education, social, and economic welfare of their shareholders. Everyone believed the land and cash settlements would be used to initiate a process of economic development in rural Alaska which, by the "trickle-down effect", would benefit Alaska Natives. Instead, the cash has been used to pay inordinate amounts of legal fees; many corporations are still waiting to receive their full land entitlement; and language such as Section 22(g) of ANCSA, has been used by state and federal

agencies to limit the use, economic value, and development potential of Native-owned lands.

In sum, Calista Corporation and the village corporations in the Calista Region have not been able to fulfill the range of high expectations placed on them by Congress, their shareholders, the public and government officials. It is highly unlikely that the Native corporations will ever be able to do so given the current situation. ANCSA was expected to play a role in the social and economic betterment of Alaska Natives, but it was never intended for ANCSA to replace the state and federal governments in terms of providing assistance to Alaska Natives. It was generally expected that the Native corporations would create an economic base sufficient to stimulate rural development. The public and government agencies have long held that Native corporations would generate job opportunities, spur natural resource development, provide job training to shareholders, and be the foundation of viable village economies. These expectations are not realistic in light of the current terms and conditions of ANCSA and the implementation process now in place.

Without legal and policy changes to ANCSA, the Native corporations will never be able to provide for the needs of their shareholders. Under existing laws, programs, and policies the Native corporations can not undertake projects or use their ANCSA settlement to the full benefit. As a result, there has been no diversified, sustained economic growth, as traditionally defined, in areas such as the Calista Region. Public perception and treatment of the corporations by government entities has been a curious blend. The corporations are expected to serve as privately endowed "entities" which provide social services, while at the same time they are to function as profit-making business corporations. These two objectives are contradictory and cannot be accomplished together, under the present Native corporation structure and laws concerning Native corporations.

Under present conditions, Calista Corporation cannot fully engage in the mainstream of Alaskan economic activity and, at the same time, fully meet the aspirations of over 13,300 shareholders (most of whom believe that the corporation must, in no uncertain terms, preserve the traditional Native way of life). The specific promises of ANCSA remain unfulfilled. Economic development in the Calista Region has never materialized. Unless there are changes to ANCSA, Calista Corporation and the village corporations in the Calista Region will see only modest development of the region's natural resources due to high production costs, generally unfavorable environmental policies, and public attitudes opposing natural resource development.

The Calista Corporation survived its first 20 years, but just barely. A big part of the corporation's financial success or failure can be traced to its resource endowment: Calista's natural resource base is small in comparison to the other regional corporations, and to date, Calista Corporation has not been able to secure rich resource contracts through negotiations and exchanges. The following actions should be taken to remove some of the barriers now facing Alaska Native corporations in maximizing the benefits they were to have received under the Alaska Native Claims Settlement Act.

1. ENSURE THAT ALASKA NATIVES RECEIVE FULL ECONOMIC VALUE FOR THEIR LANDS RECEIVED UNDER ANCSA: There are 22 village corporations, 16 of which are in the Calista Region, affected by Section 22(g) of the Alaska Native

Claims Settlement Act (ANCSA). Section 22(g) requires all Native-owned lands within the boundaries of a pre-existing national wildlife refuge to remain subject to the laws and regulations governing use and development of the refuge. The 22(g) language is used to protect refuge interests at the expense of the Native corporations' right to freely develop their lands and receive full economic value for the land. This language gives the USF&WS ultimate control over Native-owned lands and is used as a tool to depreciate the value of the Native land. For instance, when these lands are appraised to establish a land-value for land exchange purposes, Section 22(g) is considered an encumbrance on the land.

This provision of ANCSA has been used by USF&WS to substantially decrease the value of Native-owned lands within refuge boundaries. The USF&WS appraisers have assigned lower fair market values to lands subject to 22(g) based on prohibition on land use and development activities on 22(g) lands without prior approval from the USF&WS. Although these lands are considered private lands, the Native corporations are not allowed to develop and use the land as they see fit. Typically, lands appraised by the USF&WS not subject to Section 22(g) requirements have higher fair market values than lands subject to Section 22(g) requirements. This practice by the USF&WS results in the agency assigning "discounted" values to Native lands encumbered by Section 22(g) in land exchanges and acquisitions of ANCSA land.

Another category of land which is devalued during the appraisal process is lands identified as "in-lieu" selections. Many village corporations throughout Alaska were not able to select their entire ANCSA entitlement within their original Section 11(a)(1) withdrawal area. Village selections made outside the Section 11(a)(1) withdrawal area were made from areas withdrawn under Section 11(a)(3) of ANCSA. These are the deficiency lands or "in-lieu" lands. Those villages which have in-lieu selections include: a) village corporations within established national wildlife refuges and parks which were limited by Section 12(a) of ANCSA to select only 69,120 acres of land within the Section 11(a)(1) withdrawal area surrounding the village, although their entitlements were much larger; b) village corporations which did not have enough unappropriated land in their withdrawal area from which to select; and c) village corporations with small withdrawal areas resulting from their proximity to a meridian or the coast, thereby reducing the amount of land available for selection.

For example, the village of Toksook Bay, located in the Calista Region, is affected by all of the above conditions. It is a 22(g) village because it was located within the boundaries of the former Clarence Rhodes National Wildlife Range. About 1/3 of its original withdrawal area is in the water and its proximity to other villages restricted the amount of unselected land in its withdrawal area. Consequently, about half of its selections were made in Section 11(a)(3) deficiency selection areas many miles from the village. In recent appraisals, land selections in deficiency areas have been assigned lower values on the basis that they are far from the village; therefore their economic value is not as great as those lands immediately adjacent to the village. This village did not request to make its selections in a deficiency area far from the village site; it was required to do so under the terms and conditions of ANCSA. The village corporation is penalized because its land is located within a deficiency area. No other place in the state has there so many villages similarly penalized by the selection requirements of ANCSA as does the Calista Region.

The following actions should be taken to ensure that the economic value of land received under ANCSA is not diminished because of unfair appraisal practices:

- * *Repeal or Amend Section 22(g) of ANCSA so that the language removes federal agency control over the use and development of corporation lands within national wildlife refuges. The language should restore to the corporations their right to use their land as they prefer or to compensate them for the loss of their development rights. Such an amendment would enhance the usefulness of Native-owned land and increase Native control over the lands they own.*
- * *Establish a policy to prohibit the practice of discounting land values for land subject to the provisions of Section 22(g) of ANCSA. Corporations seeking to exchange or sell lands affected by Section 22(g) should not have the fair market value of their lands reduced because they are subject to Section 22(g) of ANCSA. It is unfair to maintain that 22(g) lands are less valuable for economic development or other activities in order to lower the fair market value for exchange or acquisition purposes. The economic and resource values of the land remain the same whether or not the land is subject to Section 22(g). The current practice of "discounting" 22(g) lands in exchange should be stopped immediately as it is a gross violation of the congressional purpose behind the passage of the land claims act.*
- * *Enact legislation which establishes the fair market value for "in-lieu" ANCSA lands to be equal to the value of lands within the original township withdrawal area, when included as part of a land exchange or sale with the federal government. The practice of discounting in-lieu lands significantly diminished the real value of a corporation's land settlement.*

2. ASSURE THAT THE VALUE AND INTEGRITY OF THE ALASKA NATIVE CLAIMS SETTLEMENT ACT IS MAINTAINED - The Alaska Native Claims Settlement Act was meant to be the vehicle by which Alaska Natives would become economically self-sufficient. Its success has been limited. The Native corporations have spent years and millions of dollars trying to implement the settlement act and obtain their entitlements under the terms of the settlement. The money given to the Native corporations under the settlement was used primarily for implementing the settlement and correcting inconsistencies and inequities resulting from the language incorporated into the Alaska Native Claims Settlement Act. This is especially true for village corporations. The Alaska Federation of Natives and individual Native corporations have had to go to Congress to obtain legislative changes to ANCSA to make it more equitable and ensure that Alaska Natives would receive what was promised to them under ANCSA. These same parties have found themselves in court numerous times defining various provisions of ANCSA at great expense.

Once again, the settlement act must be examined and amended so that Native corporations can achieve the greatest benefit and control of their lands received under the settlement act. The following technical changes should be made to ANCSA:

- * *Allow village and regional corporations which are underselected to select lands outside of their original withdrawal areas so that they may select lands*

needed for subsistence or which may have resource development potential. The Bureau of Land Management just approved an action to allow the Village of Anaktuvuk Pass to make underselections to fulfill their entitlement under ANCSA. Other villages and regional corporations should be given the same opportunity given to Anaktuvuk Pass.

* Amend section 14(c) of ANCSA so that the burden of completing the 14(c) reconveyance process is placed on the state and federal government. The process of reconveying land under section 14(c) is both very expensive and technically beyond the capacity of most village corporations. Most village corporations have not completed their 14(c) reconveyances. As a result, a cloud remains on the title to both the corporation's and the 14(c) claimant's land, making it difficult for businesses to acquire financing for building in the villages. The construction of community projects is often delayed because the local government does not have clear title to the land on which the project will be located. If the government will not assume the responsibility of completing the 14(c) process, then, at a minimum, adequate funding and technical assistance must be provided to the village corporations to complete the reconveyance process.

* Conduct a study to evaluate the equity of the Alaska Native Claims Settlement Act between the various Native corporations. Over the last 21 years, it has become apparent that some of the corporations have prospered more than others. Since ANCSA was meant to be a fair and equitable settlement for all Alaska Natives, an effort should be made to determine what led to the successes and failures of the ANCSA corporations. For example, Cook Inlet Region, Inc. (CIRI), benefited much more from NOL sales than did struggling corporations like Calista, Bering Straits, and Aleut. CIRI collected \$13,272.00 per shareholder from NOL sales, while Calista collected \$1,347.00, Bering Straits \$5,601.00, and Aleut \$940.00. NOL sales made Doyon and Sealaska among the most profitable corporations through 1990. Of the \$112 million Doyon produced in real net income, 70 percent was from NOL sales. Of the \$18 million Sealaska produced, almost all was from NOL sales. (ISER, December 1991).

Action should be taken to remove inequities and ensure that all corporations continue to thrive and benefit under the terms of ANCSA. Possible changes to ANCSA might include providing new surface land selections to those regional corporations which did not receive land selections under section 12(c) of ANCSA; establishing a process which will allow land exchanges to be completed without Congressional approval; or providing for a simplified process for amending ANCSA. Although congress settled on 44 million acres as the final settlement of Alaska Native Claims ; figures ranging from 100,000 to 80 million acres were considered. Judging on 21 years of the implementation of ANCSA, 44 million acres was not enough land to accomplish the purpose of ANCSA. Sixty million acres may have been the proper acreage necessary to provide both the equity and opportunity intended in the settlement. A review of the generous Canadian Native land settlements might be advisable to determine why those settlements tend to be much more generous than ANCSA which was perceived by many at the time of its passage to be just and fair. It wasn't an equal settlement for all. Providing additional acreage may help provide equal opportunities to all regions.

* *Re-examine the ANCSA 1985 Study prepared by ESG for the Department of Interior and make policy and technical changes to ANCSA recommended by the study.* The study prepared an extensive list of technical changes to be implemented to facilitate the implementation of ANCSA. These recommendations were shelved and have never been considered for adoption. This study should be reviewed and updated, if necessary, so that appropriate changes can be made to ANCSA to ensure that Alaska Natives do continue to receive full benefit of the Alaska Native Claims Settlement Act.

* *Reopen the 14(h)(1) selection process so that regional corporations may select historical and cemetery sites which were located and identified after the original selection period was closed.* Numerous sites have been found on federal lands and there is great concern that the various federal agencies will not be able to adequately protect and manage these sites from development activities, trespass, and looting. In several cases, a federal agency has disturbed a known site, because proper care was not taken to verify whether an area had 14(h)(1) selections pending. Due to construction activities by the agency involved, several sites were significantly damaged by agency personnel.

Implement an equitable process for mitigating conflicting land selections and mineral claims. Where state selections or mining claims conflict with Native selections, circumstances make it almost impossible to determine claim validity without going through a lengthy litigation and adjudication process, which may not ensure a fair settlement of the dispute. For example, in the Chitina Region, the Native group Nogamuit is still without title to any land because their selection was conveyed to the State of Alaska. To date, efforts to relocate or identify a new selection area for this group have been unsuccessful.

3. USE LAND EXCHANGES TO ENCOURAGE ECONOMIC DEVELOPMENT ON NATIVE-OWNED LANDS - Land exchanges provide two types of benefits. First, they provide an affordable means to federal acquisition of Native-owned inholdings within national wildlife refuges, parks and wilderness areas. Exchanges allow the Native corporations to select land with more immediate development potential or land that could be used to generate cash for the corporations. In turn, revenue earned from these lands could be reinvested by the corporations or be used to create jobs or business ventures in industries such as commercial fishing, mining, or real estate development within their region.

Land exchanges have been a very effective tool for helping some regional corporations become more financially stable. For example, lands received by Cook Inlet Region, Inc. have been leased and are now producing natural gas. Arctic Slope Regional Corporation leases the oil and gas rights on lands they received as part of a land exchange. The importance of land exchanges should not be overlooked because they benefit not only Alaska Natives, but all residents of Alaska and the nation. They give the government a method for acquiring privately-owned lands needed to protect valuable wildlife resources and help their public policy by providing economic opportunities for Alaska Natives. In turn, lands are made available for development that might not otherwise be developed. The following actions should be taken to encourage land exchanges between Native corporations and the federal government:

* *Promote the use of land exchanges to fulfill the terms of ANCSA and ensure that Alaska Natives get a fair and just land settlement.* Many land exchanges are pending and should be approved or at least elevated to a level insuring that the issue of land exchanges is once again reviewed. Keeping in mind the original purpose of ANCSA, these exchanges should be viewed as an option or opportunity to meet these original goals. The land settlement has proven to be less than equitable for a variety of reasons cited in earlier testimony and the 1985 study on ANCSA. Land exchanges can be used to realign ANCSA land selections so Native corporations receive land more suitable for subsistence activities and/or economic development.

* *Allow Native corporations to exchange Native-owned lands for lands more useful for subsistence activities and with greater development potential.* The land selection process created an artificial pattern of land use and ownership that doesn't reflect the true needs of Alaska Natives. Village corporations had to select lands far from areas of traditional use. These lands are of little use for subsistence because they are too far away to be of value to village residents; they have little subsistence value; and they usually have little or no natural resource potential. In essence, the land is of minimum value, yet it is supposed to be the cornerstone for economic development for Native corporations.

A second inequity in terms of the ANCSA land selections is that artificial boundaries and barriers affected land selection patterns. In some places, withdrawal areas for village selections were reduced by coast lines, or meridian boundaries reduced the size of a township from 36 sections to six sections. Some Calista village corporations have smaller withdrawal areas than other villages in other regions. Villages were limited to selecting lands only within a defined area around the village, yet the normal pattern of use along rivers was contrary to the requirement to make selections within the withdrawal areas. Villages own land inland from the rivers and coastlines which is not easily accessible or of great value to the village. In more developed areas of the state with road connections, this was not as great a problem because the land is accessible and has development potential. However, in the Calista Region these lands are of little value except for subsistence activities and in some areas may be doubtful that the lands have any subsistence value.

Village corporations such as Eklutna, Ninilichik, Hoonah, Seldovia, Klukwan, Kotzebue, and other more urban villages have been much more successful because of their proximity to transportation facilities; their lands have high economic development potential; or they own substantial surface resources such as timber. The benefits of land exchanges can be quite great to a corporation. For example, CIRU earned three times the net income of any other corporation through 1990. Much of that net income was from sale of oil and gas leases on lands it acquired through a land trade with the state and federal governments (ISER, December 1991). The small rural villages typical of western Alaska are floundering and, if policies and regulations are not implemented to make managing their lands and corporations easier, bankruptcy will be inevitable.

- * *Promote use of land exchanges to encourage economic development.* Encouraging and supporting land exchanges in western Alaska is especially critical for the Native corporations in this region, since few opportunities for economic development exist presently. Land exchanges are one way that corporations may obtain lands more suitable for economic development.
- * *Allow acre for acre land exchanges on lands selected by the village corporations so that village corporations may realign their selections to more realistically reflect their actual use and occupancy of lands around the village and also facilitate management of lands owned by the village corporation.* Villages were limited to selecting lands from a 25 township withdrawal area. The lands selected may not have been lands that were traditionally used by the villages. As a result of the selection limitation, villages were often forced select lands which were of little use or value to the village, except that they were within the 11(a) withdrawal area.
- * *Simplify the land exchange process so that land exchanges between the Native corporations and federal government may be negotiated directly with the Secretary of Interior or other appropriate agencies.* Under the present system, federal land exchanges involving ANCSA lands typically require Congressional approval. By giving the Secretary of Interior clearer and more direct authority to do exchanges, the cost and amount of time involved in completing a land exchange could be substantially reduced. So long as exchanges require Congressional approval, they will be subject to politics, delays, and being over-ridden by other issues or interests.

Education Issues

In the next few years, village residents in the Calista Region face an ever increasing student-age population. Parents and education professionals will have to decide the focus and direction of the village education system, i.e., do the schools teach children skills which will allow them to compete in college and the urban job market, or do they teach students the skills necessary for survival and coping with village life? Schools in the Calista Region are once again becoming the focal point of community attention. The Molly Hootch decision, which resulted in education coming to the villages, has not produced the favorable results hoped for by its proponents. Schools in the region are proving to be inefficient, and they isolate students from experiences needed to cope in the modern world. Test scores for Alaska Native students in urban areas are higher than those for students in the villages. Unless change occurs in the village schools, students from the Calista Region cannot depend on the present educational system to teach them life skills or act as a springboard for opportunity. Neither a high school education nor a college diploma guarantees that an individual will find and secure a job in the village.

The distances between rural villages and the lack of roads make it difficult to provide a well rounded educational opportunity to all of the youth of Alaska. Students that remain in the villages for educational training through high school find it difficult to communicate due to differences in educational experiences and use of language. Moreover, the curriculum often does not relate to the rural environment, consequently students in the villages find it difficult to learn without the benefit of direct experience or participation.

For those students not tracked into college, rural education curriculum often does not prepare students to make a successful transition from school to work. Village schools graduate students with low basic skills in reading, math, and communications, and little relevant work maturity skills. Generally, students have limited awareness of career opportunities and options and lack the prerequisite skills and training necessary to enter and succeed in various occupations.

Students coming from village high schools have great difficulty competing at the college level due to inadequate basic skills, such as reading comprehension, writing, and language. Very few students from the Calista Region make it through four years of college, and if they do, there usually are no jobs for them back in the village. Consequently, for young adults wishing to stay in the village, there is little incentive to get a college education.

Other problems associated with village education are that schools are often understaffed and the teachers' expectations for students are low. Recent national studies in education have shown that, if a teacher has low expectations of students' abilities, the students will normally perform at lower levels than students who have teachers that have high expectations. Village schools are not able to offer a curriculum as broad and diverse as regional or urban schools, consequently, students with special learning needs do not receive proper teaching and training. In addition, vocational programs are virtually non-existent in village schools. Low academic standards pervade them. As a general rule, it has been found that education in the villages in the Calista Region is substandard by state standards (MMS, 1992).

Unless circumstances and village economies change in the years ahead, most young Native adults who want work will have to move from their villages to locations where jobs exist. If the move is to urban areas of the state, these individuals will find themselves at a tremendous disadvantage because their education has not properly prepared them to compete in the labor market with individuals from urban areas. Competing in Alaska's labor market requires more education than competing in labor markets elsewhere in the nation. The Alaska work force is more profession-oriented and technically equipped than the national work force (AFN, 1989).

Most issues concerning Native education do not inspire imaginative research or program development. Educational decision-making in Alaska is localized in most school districts, and small rural school districts do not have the resources or technical expertise to mount new programs or to evaluate programs so that cumulative knowledge becomes available. Alaskan universities and government agencies have not developed new approaches to Native education. Crucial and persistent issues in Native education need to gain an important place in the public's eye. With research and program development based on new ideas and techniques, substantial progress can be made to improve education in the villages.

Many effective programs have been developed to address the educational and cultural needs of Alaska Native students. But the small size of many rural communities and school districts, the stress caused by rapid cultural change, and the tension between Native and non-Native values still create problems which

need attention. The following are actions which should be taken to address education related problems facing Alaska Natives.

1. ESTABLISH AN EDUCATION DELIVERY SYSTEM WHICH MEETS THE SPECIFIC NEEDS OF ALASKA NATIVES IN WESTERN ALASKA - The existing village school systems, for the most part, do not adequately prepare students for the competition and the social and cultural lifestyle they will encounter in larger communities and urban areas. Nor do they promote pride in the Alaska Native cultures. The present educational system locating primary and secondary schools in every village is not working. The quality of education in village schools is declining rather than improving, while the cost of providing education in the villages is escalating. The following actions should be considered as a way to improve education in village Alaska:

- * *Evaluate the effectiveness of bush schools to prepare students to compete at the college or university level or in vocational training.*
- * *Continue Head Start and other early childhood development programs in elementary schools in the villages. Elementary education should continue at the local level because children should remain at home during the formative years developing culturally and personally within the family and village society.*
- * *Establish a Vista or Peace Corps type program similar to Teachers for America now operating in the lower 48 states. The Department of Education must look at alternative methods for attracting dedicated teachers into the rural communities and provide these teachers with incentives to stay in the communities. One way to do this is to provide loan forgiveness benefits to teachers who stay and teach in the villages for five years or more. Another way is to recruit teachers from the villages. Recruitment can be accomplished by financing, via a state teaching scholarship fund, the education of students from the villages who wish to become teachers.*
- * *Provide grants and research money to universities with education programs to develop curriculums, teaching materials, and education techniques relevant to rural Alaska.*
- * *Undertake a study which will document the effectiveness of bicultural and bilingual programs in rural schools. Current information is needed on the educational nature and quality of bilingual and bicultural programs in schools serving rural students and the extent of community and student satisfaction with those programs.*
- * *Develop a vocational educational program for rural students with a focus on local industry (existing and potential). An effective rural resource training system must be developed for villages, if the subsistence lifestyle is to survive and villages are to be competitive with other areas of the state, as well as economically self-sufficient.*
- * *Establish summer camps and summer education programs which prepare students for the job market and involve students in the sciences at an early stage in their educational experience.*

* *Develop incentives for students to remain in school to complete a solid basic education which will open many doors to them for choosing careers or going to college.* For example, in one school, students receive prizes for reading a number of books each month. By the end of the project, students had read over 40,000 pages and were reading at or above their expected reading level. The total cost to the school was less than \$10,000 for the project.

* *Investigate the use of alternative teaching methods and techniques.* Students could be taught special education classes in math, science, or other subjects via television. The university system has successfully used telecommunications systems to teach students outside of the classroom. Another possibility is educational video recordings distribution to the schools. This technique would be good for teaching students about unique subjects, such as the Alaska Native Claims Settlement Act or natural resource management as it applies to children.

2. PROGRAMS WHICH PROMOTE OR IMPROVE EDUCATION OUTSIDE OF THE VILLAGES SHOULD BE CONSIDERED FOR THEIR POTENTIAL BENEFITS TO THE EDUCATION OF OUR NATIVE STUDENTS -

* *Examine the benefits to be gained from establishing regional junior and senior high schools in regional centers, rather than operating a junior/senior high school in every village.* Larger schools can provide more variety in classes, offer different levels of instruction (special education, gifted classes, culturally adapted classes), attract high quality teachers, and operate more cost effectively. Students will be surrounded by a learning environment that will prepare them for the environment they will encounter when they attend college or voc-tech schools.

* *Implement a state scholarship or loan program with forgiveness benefits being granted to Alaska Native students who get education degrees and return to the villages and teach for a minimum of five years.* Greater efforts need to be made to get Alaska Native students through college and back to the village to teach. In 1991, only 5 percent of the total number of teachers statewide were Alaska Native.

* *Twenty-seven (27) tribal colleges currently exist on or near Indian Reservation in the United States. Each is either accredited or seeking accreditation. One such college in the state of Alaska might provide a more comfortable or suitable environment which could better meet the special needs of Alaska Native students. Although, the existing university programs in Alaska may continue to be a preferable option for many Alaska Native students, there may be a large enough Alaska Native student population interested in an Alaska Native College to justify the existence of such an institution. A feasibility study to determine funding sources, potential enrollments and the merits of such a proposal should be funded to investigate this possibility.*

Social/Cultural Issues

The Callista Region is the poorest region in Alaska as measured by income, physical adversities due to geographical isolation, and extremes in weather (MMS, 1992). The Yupik people of the Callista Region are experiencing a cultural, social, and economic transition marked by the loss of traditional ways and the adoption of new technologies, social forms, knowledge, and ideas. This transition is painful because many persons, bereft of some of the traditional customs and habits, have difficulty adjusting to current pressures on family, the need for formal education, and the adjustments to government-dependent local economies.

In spite of the cultural upheaval facing the Yupik people, they have demonstrated a substantial commitment to maintaining their traditional subsistence lifestyle. The ability of the Yupik people to maintain a subsistence way of life in combination with a cash economy depends on several factors, including the degree and timing of resource development, the immigration of people from other areas into the region, and the availability of jobs in the villages. Furthermore, the subsistence lifestyle is very dependent on a continued supply of wildlife resources which can survive increasing consumptive demands.

People in the villages are trying to find a balance between the old ways and the new ways. Because full-time wage work is very scarce in the villages, residents of the Callista Region still have strong cultural and economic ties with the subsistence way of life and are likely to maintain these ties in the future, unless their economic well-being improves dramatically in the next few years.

The following actions should be taken to address some of the social and cultural problems facing Alaska Natives.

1. PROTECT SUBSISTENCE RIGHTS FOR ALASKA NATIVES - The state and federal governments must continue to work with Alaska Natives to ensure that Alaska Natives continue to have the right to practice subsistence activities. Subsistence activities are an integral part of the Alaska Native culture and the foundation of the village economic system. Without subsistence, Native village life as we know it will not survive. In order to ensure the continuation of subsistence, improved opportunities for managing subsistence resources must be implemented. Village economies, based on resource harvesting activities with fewer limitations on access, control and commercial use of subsistence resources, could support a significant population in rural Alaska. This may be accomplished by taking the following actions:

- *Ensure more participation by Alaska Natives in subsistence management decisions and grant more local village control over subsistence activities. This may be accomplished by requiring that Alaska Natives be appointed to advisory boards and commissions which establish policies, directives and regulations affecting subsistence activities.*
- *Protect subsistence preference rights for Alaska Natives by enacting legislation which continues the protections and provisions established by Title VIII of the Alaska National Interest Lands Conservation Act (ANILCA).*

- * *Continue the rural preference for subsistence activities on public lands essential to protecting the rights of Alaska Natives to practice the subsistence lifestyle common to village residents.*
- * *Amend the Migratory Bird Treaty Act to allow for spring subsistence hunts. In the spring before fishing begins, meat is in very limited supply. Returning migratory birds are one of the few protein sources available during that time of year.*
- * *Reauthorize the Marine Mammal Protection Act so that Alaska Natives can continue to hunt marine mammals for sustenance and subsistence purposes. The act's current provisions and policies should not be repealed.*
- * *Implement a public education program about subsistence. There must be a better understanding of what a subsistence lifestyle is, and what it takes to exist within a subsistence lifestyle. This understanding is needed not only by all Alaskans, but also those living outside of Alaska, who try to impose their views on Alaska Natives. The Alaska population is a highly transient one. A large percentage of that population never leaves the road system. They know little about Alaska Natives or their culture. Subsistence might be an easier idea to sell if the significance of subsistence activities were better understood.*
- * *Implement Native preference legislation for state and federal lands if the state does not implement a state constitutional amendment protecting subsistence rights for Alaska Natives. If the State of Alaska will not act to protect Native subsistence rights, then Congress should amend Title VIII of the Alaska National Interest Lands Conservation Act (ANILCA) to grant subsistence rights specifying to Alaska Natives; revoking the rural preference right. Only Alaska Natives would have a right to continue subsistence activities under ANILCA.*

Health Issues

In 1989 and again in 1991, Calista Corporation found the most pressing needs of the region to be in health, education, housing and facilities, and social services. The most fundamental need, however, is the need for development of local village economies. Economic development cannot occur unless there are adequate housing, jobs, and safe and reliable sewer and water systems. In addition, the Region needs a reliable transportation system. Many village airport facilities are in poor condition, and safety and reliability are below standards. Electrical power supplies and telephone systems must be made more reliable and affordable. Health care facilities and services need to be expanded and modernized.

Housing in the Calista Region is deplorably sub-standard. Most families live in crowded and poor conditions. For example, the average number of persons per household in the Calista villages is 4.9, compared to the national average of 2.2 persons. In 1991, the State of Alaska Department of Community and Regional Affairs reported that 97 percent of Calista Region had no indoor plumbing, 98 percent lacked running water, 19 percent of the houses needed to be replaced because of overcrowding and poor condition, and the average living space per house was 661 square feet compared with the average for Alaska of 1,162 square feet. (MMS, 1992).

Compared with other regions in Alaska, the Calista Region has the largest number of villages, the largest Alaska Native population, and one of the highest costs for providing health care. The people of the region experience the highest incidence of major diseases when compared with any other region in the United States. Tuberculosis, meningitis, and hepatitis occur in the Calista Region in frequencies far exceeding those elsewhere in the nation (MMS, 1992). Outside of Bethel there are no private physicians in the Calista Region.

The availability of utilities-- electricity, water, sewer, solid waste disposal, and telecommunications-- affects both the quality of life in the villages and the potential for economic development in the region. Without these basic services, which urban residents take for granted, life in the Calista villages is difficult and at times even life threatening.

Safe and reliable water and sewer systems exist in a few villages, and even in those villages, the systems are marginal, at best. These systems must be upgraded to reduce health hazards and minimize the effort required to haul water and safely dispose of wastes. A safe and adequate water supply is crucial to support fish processing, the economic mainstay of the Calista Region. It is also needed to provide safe drinking water to village residents and reduce the chance of infection from diseases, such as hepatitis and meningitis.

The following actions should be taken to begin to correct the various health problems in the villages and minimize the risk of the problems getting worse.

1. ENSURE THAT THERE IS SAFE AND AFFORDABLE HOUSING IN THE VILLAGES - Housing is woefully inadequate in the villages of Alaska. The quality of housing is substandard. Over-crowding is commonplace. Waiting periods for new housing are dependent on timing of new multiple unit projects and supply lags behind need and demand. Even new houses lack running water and indoor plumbing if these systems are not present in the village where they are constructed. Poorly maintained heating systems cause excessive home heating costs. Most houses constructed under current programs use materials from other locations, and do not create local jobs. HUD regulations need to be changed to recognize the uniqueness of Alaska, to allow for designs specifically made for Alaska, using Alaskan materials where available, and village labor to manufacture and construct homes.

The current programs and policies for providing housing to Alaska Natives in rural Alaska are not meeting the needs of the people. The need for housing in rural villages is rapidly increasing. Instead of importing companies from outside the villages to build houses within the village, programs should focus on using resources and people in the villages to construct homes or make renovations. Such an approach would provide badly needed jobs in the villages, promote pride in home ownership, and provide on-the-job training. Housing programs in rural villages, if properly implemented and organized, can become a form of economic development employing local workers in an on-going project that would include both new construction and maintenance of existing housing project units. The following actions should be taken to improve existing housing programs:

- * *Revise CFR 7(b) laws that require Native hire for federal housing programs to mandate that contractors hire local workers. Construction jobs*

for housing projects are important sources of employment in villages where few jobs exist.

- * Design smaller, longer-term housing projects in each village that require completion of fewer units per year over a longer project time span. Pattern these projects after the regional housing authorities' "burn-out" program where small projects using local builders or groups work on two or three units in a village each year. Completion of a few units each year over several years, instead of up to 24 units all at once, would provide a stable program of sustained employment achievable by local construction crews who would develop a good working knowledge of their village's housing construction.
- * Implement more flexible building codes and specs for the use of materials and construction which allow for the use of innovative technologies and designs developed to meet the climatic conditions and needs of different parts of the state. The standardized material and design specs required by financial institutions for meeting loan requirements and federal regulations relating to construction and design minimize, and sometimes even prevent, the use of alternative materials or construction techniques. More flexible specs and building codes for construction in rural areas would make it easier to adapt home designs and materials to local areas.
- * Revise federal and state contracting procedures for housing projects so that regional housing authorities can contract with village corporation, IRA or traditional councils, or individuals to construct houses in the village. These entities are more likely to hire local village residents than construction companies from outside the village. They also have a greater stake in the final product and have the greatest incentive to provide the best homes possible.
- * Bring housing units in the villages up to acceptable health and safety standards. A program should be established which allows individuals and the regional housing authority to get grants to bring homes into compliance with state safety, health, energy and building codes.
- * Implement a homeowners education program which teaches individuals how to maintain a home and do simple home repairs. Modify HUD and Alaska State Housing Programs so that individual homeowners can perform repair work following program guidelines and codes. The necessity for importing non-village labor for repair work would be eliminated and individuals could obtain skills necessary to maintain their homes. Such a program could be coordinated through BIA, IHS, ASHA and HUD.
- * Educate the Alaska State Housing Authority and federal housing programs, with the goal of creating flexibility in housing loan and program funding criteria, to allow for alternative or innovative housing construction technologies. New energy-saving and cost-effective technologies with demonstrated application in rural Alaska are pre-empted from housing programs because borrowers cannot get loans to build or purchase houses using those technologies.

- * *Continue the funding of programs which encourage energy conservation and home weatherization so that homes are made energy-efficient, thus helping reduce power costs in the villages both to individuals and to the community.*
- * *Give contractors who build houses in villages under federal and state housing programs a financial incentive to hire locally and, whenever possible, buy materials and supplies from local businesses and suppliers.* Construction jobs for housing projects can be a very important source of local employment in villages that have few jobs available.
- * *Promote the use of local contractors and hire village residents to work on housing projects.* If the construction design of a house is labor intensive, it should use local labor and materials rather than bringing in materials and workers from outside of the region.
- * *Implement and fund a rural home loan program which allows individuals living in rural areas to obtain loans to build homes on their own, using their own designs and local materials, without approval or control by the regional housing authorities.* Due to income requirements, building code standards, and other criteria more appropriate to urban areas, few if any, rural residents are able to qualify for home construction loans through the Alaska State Housing Loan program or conventional home financing programs available at commercial bank and mortgage companies. Consequently, many individuals are unable to secure the necessary financing to build their own home. Instead, they must live in over-crowded conditions, until the local housing authority builds new homes in the village, and even then there is no guarantee they will get a home.
- * *Develop and implement a homeowner public education program.* This could be a coordinated effort between the Alaska State Housing Authority and the Department of Housing and Urban Development (HUD). Rural residents need information on how to obtain a loan, participate in regional housing programs, and maintain or improve their homes. Most village residents have difficulty understanding all the qualification criteria and red tape involved in qualifying for a home. The home qualification process needs to be simplified.
- * *Examine current home loan program regulations and revise the regulations to allow for greater flexibility in building and code standards in rural Alaska.* Flexible codes do not imply minimal or unsafe codes and construction, instead the codes and programs must be made more flexible so that village residents can construct homes more cost effectively and more suited to the rural lifestyle.
- * *Implement and fund a program for individuals so that they may renovate or improve owner-occupied homes in rural Alaska.* Rural residents do not have the luxury of applying for home equity loans or other conventional financing to fix their homes or improve them. The state and federal housing programs should include low-cost loans and allow for in-kind contributions for labor in exchange for money to renovate, weatherize or otherwise improve an owner-occupied home.

2. PROVIDE SAFE WATER AND SANITATION FACILITIES IN ALL COMMUNITIES WITH SUBSTANDARD OR NONEXISTENT SYSTEMS - The need for safe sewer and water systems in many villages has hit a critical level. This is no longer a "pork barrel" funding issue; it is one of life and death. Providing safe water and sewer systems must become a number one priority for state and federal agencies responsible for providing such community services and protecting public health, safety and welfare. At a minimum, the following actions must be taken:

- * *Institute a program for funding workable village sewer and water projects for all communities which either do not have a water or sanitation disposal system or the system is considered substandard by modern health and safety standards and codes. Federal and state funding agencies need to collaboratively plan with villages and regional entities to identify and construct cost effective systems and implement ongoing maintenance programs to keep them operating safely.*
- * *Implement a program which ensures that every community has continuous and consistent access to technical assistance and training for utility managers and operators. Funding for these activities must be provided at realistic and practical levels on an on-going basis.*
- * *Insure continuance of the Indian set-aside program for wastewater facility construction and reestablish the set-aside amount for Alaska at the previous level of one percent. This money specifically should be dedicated to funding projects in Alaska.*
- * *Convince EPA to make funding available for installing code-approved water and sewage systems and upgrading marginal systems to acceptable health and sanitation codes.*

3. PROTECT ALASKA NATIVE CORPORATIONS FROM LIABILITY FOR HAZARDOUS WASTES ON CORPORATION LANDS - Land in many villages has been contaminated over the years by fuel oil spills, garbage dumps, sewage lagoons, military disposal sites, and other activities. In addition, some lands transferred by the federal government to Native corporations under ANCSA have been found to be contaminated with hazardous substances. These contaminated lands present safety, economic, legal, and liability problems which significantly undermine the intent of ANCSA. They jeopardize the health and well-being of village residents and place a potentially impossible financial burden on the Native corporations and village governments if they are held responsible for conducting clean-up operations.

It is unreasonable to expect the Native corporations to clean up lands which they had no part in contaminating. At the same time, they shouldn't be held liable for spills and hazardous substances which occurred or were placed on the land before it was transferred to the Native corporations. One liability lawsuit or clean-up operation would bankrupt most Native corporations in the state. The government has an obligation to protect the Native corporations from liability claims and litigation stemming from activities for which they had no knowledge or did not participate in.

This potential for liability has caused corporations, including Calista Corporation, not to accept title to lands they selected. For example, The Kuskokwim

Corporation (TKC) and Calista Corporation are entitled to lands in the Red Devil area, but have refused to take conveyance to these lands in spite of their mineral potential because of the potential presence of hazardous materials left on the lands from historic mining activities. Under the current strict liability laws, if Native corporations take title to these lands, the corporation could be held liable for any future cleanup associated with these lands. A clean-up of this magnitude is beyond the financial capabilities of TKC or Calista Corporation. So long as these liability laws remain in effect, the liability risks are too great for Native corporations to accept.

The following actions should be taken to address the problem of hazardous wastes on Native-owned lands:

- * *Pass and implement legislation which requires the government to remove hazardous substances from Native-owned lands or replace contaminated lands transferred by the government to the Native corporations with land of equal value which is contaminant free.*
- * *Pass legislation protecting Native corporations from liability under state and federal hazardous waste laws in situations where they are not responsible for the activity leading to contamination of the land or had no reason to be knowledgeable about the presence of hazardous wastes on corporation lands.*
- * *Include indemnification language in Interim Conveyance (IC) and patent deeds which protects and indemnifies Native corporations from liability for hazardous wastes and cleanup on lands conveyed to the corporations by the federal government. The deeds and IC's should state that the federal government will assume responsibility for clean-up on any lands conveyed with hazardous wastes.*

Governance Issues

There is a high degree of political pluralism in the Calista Region. Pluralism has long characterized the area and neither Calista Corporation nor the Association of Village Council Presidents has been able to eliminate it. As is generally true in rural Alaska, most of the communities in the Calista Region are incorporated as second class cities. Typical of most villages there are several major decision-making bodies in the village, including the city council, the village corporation board of directors, the school board (only in a few villages), and the traditional or Indian Reorganization Act (IRA) council. Regional, subregional, and village representatives are regularly elected to serve on the boards of Calista Corporation (regional ANCSA corporation), the Yukon-Kuskokwim Health Corporation (YKHC), the Association of Village Council Presidents AVCP (regional non-profit).

Although many villages are organized and incorporated as second class cities, they are not "cities" in the traditional sense, with paved streets, shopping malls, and suburban neighborhoods. Most villages have only a few hundred residents or less. Most of the villages are extremely isolated, located hundreds of miles from the nearest city or regional center and without road connection to nearby villages.

A recent development in the Calista Region has been the establishment of the Yupiit Nation which originated in Akiachak. In 1983, as a result of dissatisfaction with the city government structure, the village residents voted to disband the city government and replace it with the tribal government. The goal of the Yupiit Nation, which has grown to include over a dozen other villages in the Calista Region, is ultimately more control over schools, governmental functions, the services offered within the villages, and the surrounding land and resources. Although independence is desired, the Yupiit Nation communities continue to depend on state and federal funding for the maintenance of health and educational services. As a result, the continued existence of these services requires that they successfully convince funding agencies that they have legal standing, mandates, and expertise to receive and manage such funds.

A major factor in the future of the tribal governments in the villages will be their ability to continue to receive financial support in the future. Although the Yupiit Nation has grown rapidly, it has not obtained unanimous support in the Calista Region. Many villagers agree with the organization's goals, but there is disagreement concerning means. It is unclear whether the Yupiit Nation and the tribal and IRA governments will succeed in regional politics or in inhibiting undesirable cultural changes, but large scale reform is clearly sought by entities such as the Yupiit Nation. The reform movement represents a significant attempt at political unification in the face of local, state, and federal obstacles. The following actions may be taken to address the problems facing Alaska Natives with respect to local governance, their government-to-government relationships, and participation in the political process.

1. STRENGTHEN LOCAL VILLAGE GOVERNMENT - ANCSA did not abolish Indian Reorganization Act (IRA) or traditional council governments in Alaska; it only settled outstanding aboriginal land claims. IRA and traditional council governments are recognized forms of government indigenous to Alaska Natives and other Native Americans. The state of Alaska has been reluctant to recognize these governments or establish a government to government relationship for grant funding, granting police powers, contracting, or distributing revenue sharing funds.

Many villages would prefer to follow either an IRA or traditional council form of government, rather than the municipal government system implemented in state law. Those villages which do not have a municipal government organized under State laws are ineligible for revenue sharing and receiving various forms of grants from the state of Alaska for operating a local government. Recognition of the IRA's and traditional councils as an acceptable form of local government will lead to more effective local government. It will eliminate the need for more than one form of government in the villages and the divisive competition and will eliminate confusion as to who has the authority to govern and make decisions in the villages. It will also lead to greater participation in local government and would give village residents a greater sense of control over their own destiny and affairs. The members of every community must have respect for the law and their governing body. We must get respect for the law back in the communities. That can be done by placing all governing authority in one body. In the Calista Region the tribal bodies work best.

The following actions should be taken to give Alaska Natives greater voice and control over local government in the villages and ensure that they receive

adequate funding to carry on the day-to-day operations of the village's local government:

- * *Recognize for purposes of contracting, using police powers, applying for grants for community projects and participating in the local government process, IRA and traditional councils as a form of local government with the same rights and authorities as cities and municipalities in Alaska.*
- * *Allow villages which are organized as IRA governments or traditional councils to receive municipal revenue sharing funds. Most of these villages are very small and have no way to generate revenue from a local tax base. State revenue sharing monies are greatly needed in these communities to carry out the responsibilities and obligations required of local governments.*
- * *Establish and fund a state agency to address the needs and concerns of Alaska Natives. Currently, there is no single agency or department an individual or group can go to learn about the needs and concerns of Alaska Natives. Programs benefitting Alaska Natives are scattered throughout state agencies. There is no way to evaluate how effective these programs are because they are mixed in with other agency programs or they provide services and benefits to other user groups beside Alaska Natives. There needs to be one single agency or entity in state government which acts as an advocate for Alaska Native needs, concerns, issues, and programs. In essence, it would be both a clearing house and an administrative entity which would ensure that Alaska Natives get the programs and funding necessary to prevent the problems now facing Alaska Natives from getting worse.*
- * *Resolve the issues surrounding the sovereignty question and give greater local control to local governments using IRA and traditional councils as the primary form of local government. The current system of pluralism in the villages (an IRA Council and second class city or other form of local government) is expensive, ineffective and redundant. It weakens local control and authority, results in duplication of authority, and sometimes even causes villages to miss out on potential sources of funding. The state of Alaska must work with the local and tribal governments to develop a form of local government acceptable to all parties and which truly meet the needs of village residents.*
- * *Study and evaluate the effectiveness of local practices and laws which exercise extensive control over alcohol in the community. For example, the village of Kipnuk has been doing searches and seizures for alcohol of all individuals entering the village. Although businesses and individuals objected to the searches early on, they are now an accepted part of the protocol for visiting Kipnuk. Because this policy has been in effect for several years now, it would be possible in such a study to measure the effect of the searches on alcoholism in the community. If problems such as assaults, fatal accidents, suicides, and fetal alcohol syndrome (FAS) are less frequent now than before the searches began, then such laws should be an acceptable form of protecting public health and welfare of village residents; and other communities may wish to consider implementing similar policies.*

* Draft federal and state regulations so that they recognize the rural situation in Alaska and provide flexibility to meet the needs of the local communities and Alaska Natives.

* Develop a list of community needs. There are several sources of information on the needs of rural communities. These need to be pulled together into a master list which will be maintained and supported through an interagency effort, and should be used in setting priorities for use of program funds to ensure that the communities and regions of the state with the most severe problems or greatest need receive priority in terms of capital project funding and program funding and administration. Simply put, with reduced funding, priorities must be established.

CONCLUSION

Rural villages and Alaska Natives have so many problems facing them, so little money to work with, and have done without for so long, that it is difficult for the various agencies with rural development programs to identify and set priorities on those projects and needs with which the villages and Alaska Native people want assistance. This Commission, however, can identify and set those priorities through its recommendations to Congress and the State of Alaska. It is difficult and usually unsuccessful, for state and federal agencies to predict what Alaska Native people want to sustain their lifestyle. The Alaska Natives Commission must make those concerns and needs known.

The problems and needs of Alaska's Native people can best be summarized in the following statement included in the report *Alaska's Economic Challenge: The Level of Distress*, prepared in February, 1991 by the Alaska Department of Commerce and Economic Development. The following statements clearly address the concerns of Alaska Natives and village residents:

"One of the most serious economic challenges facing Alaska is in rural Alaska. Location, transportation, lack of markets, climate, work force, and cultural factors limit the rural areas in developing any type of economic development base.

Unfortunately, the fact remains that conditions in the rural areas are not getting better. The economic prosperity of the recent pipeline construction era has had little lasting effect on many rural areas. They continue as before with high unemployment and low median incomes. State and federal dispute over regulation of subsistence, boycotts on the fur industry, international socioeconomics, and dozens of road blocks face rural Alaska. The population continues to struggle with limited resources trying to find a degree of stability. The sad fact is that social problems of drugs, alcoholism, and disease are increasing.

If state and federal involvement and assistance are not available, the gap with the rest of the state and nation will only widen as the state moves into the twenty-first century. Without the aid and assistance of both federal and state programs, there will be little private sector development over the next few years. There is little chance the circle of poverty will be broken without this additional support and other outside beneficial influences."

Because funding and technical resources are managed by individual agencies, planning and coordination among these groups to address the problems facing Alaska Natives is piecemeal at best. Add to this the interagency mix of roles and responsibilities, the numerous local and regional organizations that will be involved in Alaska Native problems and affairs, and the complexity of the coordination issue and dealing with the various problems facing Alaska Natives becomes staggering. Often more than one local organization will be involved in some phase of reaching project implementation, along with participating state and federal agencies. It takes special insight and expertise to focus upon Alaska Natives issues.

Alaska Natives must focus on those areas of the state with the greatest problems and needs when setting priorities and recommending solutions to the problems facing Alaska Natives. State and federal agencies must be focused to respond to these priorities with greater efficiency and effectiveness than is presently being exercised. Currently, rural development agencies find themselves responding to rural Alaska in one of two ways, neither of which is acceptable.

In one approach, agencies try to be a source of assistance to all requesting communities. Alternatively, they respond only to those with whom they have had close contact. In the first case, resources available for individual projects are spread too thin; in the second case, only a privileged few receive assistance. Furthermore, because agencies are not participating in a statewide rural development strategy, planning is conducted only within the individual agency itself, based upon the agency's own mission, and its assessment of or a limited understanding of community needs or the problems facing Alaska Natives. Fundamental changes must occur in the way that agencies do business with Alaska Natives. These changes must maximize Native input and guide multi-agency resources to respond to short and long term issues and fulfill or meet identified goals established by the Alaska Native community. If any of the suggested recommendations are to work, state and federal agencies must adopt a policy of working together, with Alaska Natives, to remedy and find creative solutions to the problems facing Alaska Natives.

A long term commitment to implement a comprehensive set of policies, programs and sources of funding to address the problems facing the Yupik people and other Alaska Natives is necessary to make a noticeable change. A solution to many of the Calista Region's social, health and economic problems will not be found until efforts are made to focus on and specifically help the Yupik people. Although Calista Corporation will continue to try to make changes, it will never come close to meeting the region's tremendous needs. Some power or powers greater than Calista Corporation must make a commitment to help the region and the Yupik people. Without that assistance few, if any, changes will be made. A comprehensive, long-term cooperative effort by the Alaska Natives Commission, other Native organizations, and the state and federal governments is necessary to deal with the overwhelming conditions in the Calista Region.

As the Commission prepares its final recommendations to Congress, we hope the Commission will review and consider including the recommendations and actions we have outlined in this report. This Commission is one of the last sources of hope for the Yupik people, in terms of finding solutions and gaining support for helping the Yupik people and culture survive into the next century. We hope the

Commission will concentrate on making recommendations to Congress which benefit the Alaska Native people and regions of the state with the greatest needs.

It should be a goal of this Commission to recommend programs and policies which will ensure that all Alaska Natives are able to live without fear of their health, safety and economic well-being. In a perfect world there would be resources enough to take care of all Alaska Native needs. However, it is common knowledge that resources are limited. Consequently, the recommendations from the Alaska Natives Commission should ensure that the most needy are brought up to the same level with the rest of the state.

ASSOCIATION OF ALASKA HOUSING AUTHORITIES

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*Alaska Housing
Finance Corporation*

Nov. 22, 1995

*Alutian
Housing Authority*

Mr. Chris Kennedy, Chief Clerk
House Committee on Resources
1324 Longworth House Office Bldg.
Washington, D.C. 20515

*Association of Village
Council Presidents Regional
Housing Authority*

*Baranof Island
Housing Authority*

Dear Mr. Kennedy:

*Bering Straits Regional
Housing Authority*

The Association of Alaska Housing Authorities appreciates the opportunity to provide comment on the Alaska Natives Commission Report.

*Bristol Bay
Housing Authority*

We support the "overarching principles" of the report; which focus on self-reliance, self-determination and the integrity of Native cultures. In addition, we are supportive of the central themes and broad (thirty-four) recommendations of the report. These policy recommendations clearly encourage the self-determination of Alaska Natives.

*Cook Inlet
Housing Authority*

*Copper River Basin
Regional Housing Authority*

The Association of Alaska Housing Authorities' membership consists of the executive directors of Alaska's fourteen regional housing authorities and the executive director of the Alaska Housing Finance Corporation.

*Interior Regional
Housing Authority*

*Kodiak Island
Housing Authority*

Alaska's regional housing authorities provide HUD's Indian Housing Programs throughout Alaska. The fourteen authorities are the primary builders of new housing in rural Alaska Native villages.

*Metlakatla
Housing Authority*

The regional authorities work diligently with a variety of funding sources to provide the maximum amount of new and renovated housing in areas of very low income.

*North Pacific Rim
Housing Authority*

Our primary concern is as follows:

*Northwest Inupiat
Housing Authority*

Over the past few years, HUD's Indian Housing programs (Mutual Help and Low Rent) have provided for the construction of approximately 300 new homes per year for Alaska residents. This number has never met the significant housing need in rural Alaska. A 1991 State of Alaska Housing Assessment indicated a need for a minimum of 8,000 units in rural Alaska with an additional need for over 4,500 new units to relieve overcrowded conditions in rural Alaska. The study identified an additional need for over 2,000 units for Alaska Natives living in urban areas.

*Tapiungmiulla
Nunamiatlu (TNHA)*

*Tlingit-Heiltsu Regional
Housing Authority*

Mr. Chris Kennedy, Chief Clerk
House Committee on Resources
Association of Alaska Housing Authorities Comments
Nov. 22, 1995
Page Two

The study compared this need for over 14,000 units to a need for just over 3,000 units for low-income non-Native residents in urban Alaska (Please note: urban Alaska is home to approximately 64% of Alaska's population).

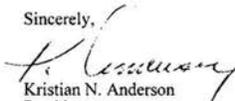
Although we are generally supportive of the new Indian Housing "Block Grant" proposals, which provide Alaska's tribes and regional housing authorities with more flexibility in the creation of appropriate housing programs, we are concerned to see certain proposals which significantly reduce funding for Indian Housing.

Income levels in Alaska Native Villages are very low and conventional financing programs are workable in only limited cases.

For these reasons, the Association of Alaska Housing Authorities is supportive of the current FY 1996 Senate proposals for HUD Indian Housing new development and operating subsidies. We also support adequate funding of future Indian Housing "Block Grant" legislative packages.

We thank you for the opportunity to comment on this important report and ask for your careful consideration of and attention toward the housing needs of Native Americans.

Sincerely,



Kristian N. Anderson
President
Association of Alaska Housing Authorities

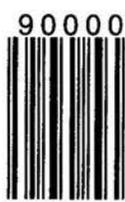
- c: The Honorable Ted Stevens
 The Honorable Frank Murkowski
 The Honorable Don Young
 Mr. John Katz, Special Counsel, Office of Governor Tony Knowles
 Ms. Julie Kitka, Alaska Federation of Natives
 Ms. Ruth Jaure, Executive Director, National American Indian Housing Council



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