

REPORT ON SELECTED

ALASKAN ISSUES

G.F. PARSONS
July 30, 1984

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Office of the Northern Research
and Science Advisor
Department of Indian Affairs
and Northern Development

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TABLE OF CONTENTS

	<u>Page</u>
A. <u>INTRODUCTION</u>	1
B. <u>ANCSA AND THE CORPORATIONS</u>	3
1. Alaska Native Review Commission	3
2. The ANCSA-85 Study	7
3. Relationship Between Studies	9
4. Problems of Land Conveyance	11
C. <u>THE TRIBAL SOVEREIGNTY MOVEMENT</u>	16
D. <u>ARCTIC SCIENCE POLICY</u>	21
E. <u>OFFSHORE PETROLEUM DEVELOPMENT</u>	26
1. Background	26
2. Recent Developments	27
3. Native Opposition and Involvement	30
4. Some Industry Perspectives	32
5. Summary Note	34
F. <u>MINING DEVELOPMENT - NORTHWEST</u>	36
G. <u>CONCLUDING REMARKS</u>	40

Continued

Page

Appendix 1:	Alaskan Contacts	43
Appendix 2:	Documentary Sources	48

REPORT ON SELECTED ALASKAN ISSUES

A. INTRODUCTION

This paper considers a number of Alaskan issues studied in the early months of 1984. It is based in part on published and unpublished documents and reports, and in part on information gathered in the course of a trip to Alaska in March and April that included visits to the cities of Anchorage, Fairbanks and Juneau.

The purposes of visiting Alaska were to gather information on scientific, socio-economic, and developmental issues in the state; to make and renew contacts with government officials, university scientists, and others; and to attend hearings of the Alaska Native Review Commission. While information was gathered on a variety of topics, special attention was given to the following matters:

- (1) Recent activities of the Native regional corporations established under the Alaska Native Claims Settlement Act (ANCSA) of 1971, and other related consequences of ANCSA's implementation;

- (2) Efforts to develop an Arctic science policy framework at the federal and state levels;
- (3) Planning for offshore petroleum exploration and development, with particular reference to anticipated socio-economic impacts.

The activities of the regional corporations, and some attendant social, economic, and political consequences and implications of ANCSA, have been discussed in a separate paper dated May 10, 1984, and titled: "Alaska Native Corporations: A Preliminary Report".

The present report adds further material relating to ANCSA and the corporations, and extends the discussion to include consideration of the current Native "sovereignty" movement. It also discusses the science policy and offshore issues, and looks briefly at plans for early mining development in northern Alaska.

B. ANCSA AND THE CORPORATIONS

Two major studies are under way at the present time, designed to explore the consequences of implementing the Alaska Native Claims Settlement Act. One of these is by the Alaska Native Review Commission, chaired by the Hon. Thomas R. Berger, and co-sponsored by the Inuit Circumpolar Conference and the World Council of Indigenous Peoples. The other study, entirely separate from the first, is sponsored by the United States Secretary of the Interior, as required by the year 1985 under the terms of the Settlement Act. Accordingly, it is known in Alaskan academic and government circles as the "ANCSA-85 Study".

1. Alaska Native Review Commission

The terms of reference of the Alaska Native Review Commission are to examine the social and economic status of Alaska Natives; analyse the history and intent of ANCSA in the context of policies historically followed by the United States in settling Native claims; review the functions of the Native corporations in fulfilling the "spirit" of ANCSA; and analyse the social, cultural, economic, political, and environmental significance of ANCSA for indigenous peoples around the world. A final report to be completed in 1985 is

expected to include "long-term recommendations to promote Native culture, land, and communities in Alaska and elsewhere", according to a Commission announcement.

From late February through mid-March, 1984, the Commission held a series of overview hearings in Anchorage to provide an "intellectual context" for hearings that are scheduled to follow in smaller communities throughout Alaska. The overview hearings were organized in four sessions which focussed on: (1) Native expectations of a claims settlement prior to the enactment of ANCSA in 1971; (2) changes in land tenure and the institutions established by ANCSA; (3) the history of U.S. policies and practices in settling Native claims in the lower 48 states; and (4) a summary view of the worldwide movement by indigneous peoples toward self-determination. Theme papers which served as frameworks for discussion of each of these topics, prepared by social scientists and legal experts in attendance, are available in the Circumpolar Affairs Section, Office of the Northern Research and Science Advisor.

I was present for the fourth session between March 13th and March 16th, attended by representatives of indigenous groups from outside the United States, notably Norway, Greenland, Australia, and Canada. The Canadian contingent was large,

and included representatives of the Nunavut Constitutional Forum, the Western Constitutional Forum, the Dene Nation, Council of Yukon Indians, Tungavik Federation of Nunavut, Northwest Territories Metis Association, and Makivik Corporation. Also in attendance were several representatives of the Government of the Northwest Territories.

In order to acquaint the Alaskans with parallel developments elsewhere in the world, the Canadians, Australians, and other visitors described the aims and accomplishments of agencies in their own countries dedicated to the settlement of aboriginal claims, and to the implementation of settlement agreements. There were several good presentations, that by a spokesman for the Makivik Corporation being perhaps the most outstanding. The presentations were followed by discussions that focussed on comparing and contrasting elements of the Alaskan experience with those in other parts of the world. This was an occasion for some Alaskans to decry the terms of ANCSA, especially the provisions seen as leading to a loss of benefits 20 years after the passage of the Act, while

ignoring the fact that subsequent legislation appears to furnish at least some degree of protection against loss of benefits.*

The Anchorage overview hearings are being followed by hearings in 30 to 40 small communities throughout rural Alaska, where the Native population is predominant in numbers. These village hearings, extending through 1984 and into 1985, are considered central to the Commission's efforts, and the probable source of its main substantive findings. By early July, the Commission had held 21 hearings across the state. Further overview hearings are planned for the autumn of 1984, and a final report is expected to be made public by the summer of 1985.

There are substantial differences of opinion among Alaskan academics and government officials as to what the Alaska Native Review Commission may be expected to achieve. On the one hand are those who perceive a positive and beneficial role for the Commission, in terms of its potential for stimulating constructive dialogue and for developing policy

* See "Alaska Native Corporations: A Preliminary Report" (in draft), May 10, 1984. pp. 42-45

recommendations relative to future ANCSA implementation. However, others profess to be uncertain about the likelihood of positive results, given existing political trends in the Alaska Native community.

For some time a movement has been gaining momentum among Alaska Natives, toward the formation of new tribal governments under the terms of the Indian Re-organization Act of 1934. Many see the establishment of "sovereign IRA tribal governments" as a means of securing control over Native lands that may otherwise be lost due to provisions in the Settlement Act. Those observers who express doubt about the results of the Commission's efforts think that it may reinforce the unrealistic expectations that many Natives had been expressing for some time about their chances for achieving "tribal sovereignty". From this viewpoint, the Commission is seen as having a potential for exacerbating intergroup tensions (see following section on sovereignty).

2. The ANCSA-85 Study

The "ANCSA-85 Study", sponsored by the Secretary of the Interior, has terms of reference broadly related to those guiding the Alaska Native Review Commission. Section 23 of

ANCSA calls for annual implementation reports to Congress until 1984, and further states: "At the beginning of the first session of Congress in 1985 the Secretary shall submit, through the President, a report of the status of the Natives and Native groups in Alaska, and a summary of actions taken under this Act, together with such recommendations as may be appropriate."

Administrative arrangements for conducting the study appear complex. The Interior Department entered into a \$500,000 contract with a Virginia firm, Management Concepts Inc., which in turn engaged a Fairbanks' consultant, Mr. Ray Kent, to plan and coordinate the study. Sub-contracts were awarded to the Institute of Social and Economic Research, University of Alaska, and to individual university scientists and others to provide specified types of data and to function as advisors. A draft report was to be compiled by Mr. Kent by the end of June, 1984. General oversight and monitoring of the research effort is provided by a senior official of the Bureau of Indian Affairs in Juneau, and the final report evidently will be a product of consultation between the principle researchers and BIA officials.

The study is supposed to look at the economic performance of the Native regional corporations over the years; address the question of how the corporations can keep control of their lands and other assets after 1991; review problems that have delayed the conveyance of lands to the corporations; and examine the attitudes of ordinary Native people toward the corporations and other aspects of ANCSA's implementation. This latter component of the study has involved interviewing about 1300 Native people throughout the state.

The ANCSA-85 Study is expected to assist in clarifying the role of the U.S. Bureau of Indian Affairs. The language of ANCSA stresses Native self-determination and requires the avoidance of "lengthy wardship or trusteeship" in the course of implementation, thus rendering BIA's role uncertain and problematic. Officials are hoping that the study will include recommendations to provide them with a clearer mandate.

3. Relationship Between the Two Studies

While the ANCSA-85 Study and the Alaska Native Review Commission inquiry are proceeding concurrently and

independently of each other, there are certain informal linkages. It is understood that there are arrangements for exchanging information, and that an Alaska University lawyer specializing in American Indian law, Professor David Case, has served as consultant to both study groups.

More importantly, it is no accident that the two studies are covering much the same ground. Forming the Alaska Native Review Commission was a clear move by Alaska Natives to assume an independent position vis-a-vis the Secretary of the Interior in terms of evaluating ANCSA and making recommendations to Congress. Alaska Natives did not wish to be passive bystanders while the Interior Department prepared a report to Congress that might help to determine their future. They wanted instead to make their own report and to include their own recommendations.* Initially such a report was to have been prepared by the Alaska Native Foundation, but that body fell into financial and organizational

* "ICC Forms Alaska Native Review Commission", Tundra Times, March 9, 1983.

difficulties early in 1983 and subsequently the task was assumed by the North Slope Borough working through the Inuit Circumpolar Conference. This avenue assures that the work of the Review Commission will have an international audience, and consequently more impact in terms of its influence on the United States Government.

Finally, it should be noted that the Alaska Federation of Natives also is sponsoring a study of ANCSA, aimed at determining what legal actions might be taken to ensure that Natives continue to control their settlement benefits after 1991. Three lawyers have been retained to explore all possible options. It was the view of a Federation spokesman that legislative solutions are likely to be the most effective ones. Although the AFN considers itself to be the lead organization representing Native concerns on a statewide level, evidently it was not consulted by the ICC before the latter body established the Berger Commission.

4. Problems of Land Conveyance

Turning to substantive Settlement Act issues, it can be said that some of the most troublesome implementation problems relate to land conveyance provisions in the Act. An earlier

report discussed problems with conveying to the corporations lands to which they are entitled under the terms of settlement. Another set of problems is associated with the reconveying of certain lands, after they have been transferred into Native hands.

When ANCSA became law in 1971, fewer than half the Native villages in Alaska had been surveyed, and many villagers and village organizations did not own the lands they occupied. To correct this situation, Section 14(c) of ANCSA requires each village corporation that receives land to reconvey portions of it to local people and agencies. Individuals and non-profit organizations such as churches are to receive title to the lands they occupied when the Act was passed, and local municipalities likewise are entitled to receive a portion of the lands, including lands currently in public use and others needed for future community expansion or public rights-of-way. Where no municipality exists, then land for municipal purposes goes to the State of Alaska to be held in trust for any municipality that may be established in future.

Not much progress have been made in land reconveyancing, first because there were long delays in the initial transfer of lands to the corporations, and second because there were

difficulties with the language of ANCSA that blocked implementation, difficulties that were not resolved until an amendment was passed in 1980. Evidently this has been another source of uncertainty and concern about Native lands. Until the reconveyances required under Section 14(c) are completed, neither individuals, municipalities, nor the village corporations can know with certainty which lands belong to them. This is seen to be a particular problem for the corporations, for they cannot proceed to plan for the use of their land when the title is clouded, and municipalities and other parties may have claims against it.

Although reconveyance of land is technically and legally complex, responsibility for the process rests with the village corporations. Similarly, responsibility for claiming and receiving reconveyed community lands rests with local municipal bodies, where they exist, or otherwise with some equivalent agency, such as a tribal council. Neither corporation directors nor municipal officers are likely to have any knowledge or experience in these matters. Two agencies have undertaken to assist the villagers: the Alaska Department of Community and Regional Affairs, and the Alaska Native Foundation.

The Community and Regional Affairs Department (DCRA) receives and holds lands in trust on behalf of unincorporated villages. It also operates a technical assistance program to help villagers identify community development goals, determine future expansion needs, identify and select lands best suited to these needs, and draw up survey plans. The U.S. Bureau of Land Management then does the surveying.

The Alaska Native Foundation (ANF) is a private, non-profit organization which operates statewide to provide education, training, and developmental assistance to Alaskan Natives. While the DCRA program is focussed on assistance to municipal bodies or their equivalents, ANF concentrates on providing similar technical assistance to the village corporations established under ANCSA. The ANF provides published information and holds village workshops designed to interpret and explain ANCSA requirements, and assists in developing and implementing reconveyance plans.

Evidently there is much confusion and misunderstanding in the villages concerning ANCSA's reconveyance requirements. One ANF official told of difficulties in translating these requirements into Native languages that lack the necessary technical and legal terminologies. "We have to spend 15

minutes just explaining the meaning of a word like deed", she said. "Then we have to explain about the initial conveyances, or maybe even about how things were before ANCSA, before we can start talking about reconveyances".

While there may be lack of understanding, there is also a growing perception among many village corporation leaders that they should not be obliged to surrender large tracts of corporate lands to municipalities, to the state in trust, or to other agencies, regardless of whether or not the prospective recipients are Natives. These leaders have engaged legal consultants who are advising them in many cases to challenge the size of land tracts being claimed, and the alleged needs for the land as put forward by the agencies seeking reconveyance. In consequence, there is growing conflict within the Native villages, and while there had been no legal challenges at last report, a DCRA official said that litigation was expected in some cases.

C. THE TRIBAL SOVEREIGNTY MOVEMENT

There is widespread fear among Alaska Natives that they may lose the lands they gained under the Settlement Act. Concern about the reconveyance of some village lands is only one contributing factor, and one which has received little media coverage to date. More important and more widely publicized are other provisions in the Act which allow for taxation of Native lands 20 years after their initial conveyance, and for non-Natives to acquire voting stock in the corporations after 1991.

Many academics and officials consider that there is a certain lack of realism in the fears expressed by some Natives about losing their settlement benefits. These observers consider that, far from doing anything to endanger Native property, the federal government is likely to take action to protect it. The state is likewise expected to be supportive, if for no other reason than the influence that the Native "bush caucus" wields in the Alaska Legislature. It is also pointed out that provisions already exist in law to protect Native lands, including a provision in the Alaska National Interest Lands Conservation Act of 1980 that permits "banking" of undeveloped lands and renders them exempt from taxation as long as they remain undeveloped. Similarly, an amendment to ANCSA permits individual corporations to make bylaws that would prevent non-Native stockholders from exercising voting rights.

Whatever the merit of present protective measures, their very existence seems forgotten in the rhetoric of debate about what should be done to protect the Native estate after the fateful year, 1991. To counter the perceived threats, there is now a growing movement among Natives to form new tribal governments under federal charter, as provided for in the Indian Reorganization Act, amended in 1936 to apply to Alaska. IRA tribal governments are essentially local Native councils that may or may not exist side by side with state-chartered municipalities. They have existed in Alaska for years, and are found in about 70 of the state's 200 or more Native villages.

IRA governments are empowered to negotiate with federal, state and local governments, and to prevent the sale or disposition of tribal lands without tribal consent. Accordingly, they are seen as free to exercise a greater degree of "sovereignty" than are municipal governments established under state law. Many Natives also believe that if the Native corporations would turn their lands over to tribal governments, the lands could not then be alienated.

Opinions differ as to the real meaning of "sovereignty", and the extent of tribal government powers, which have not yet been fully tested in the courts. Some Native leaders appear to entertain rather extravagant ideas on the subject which are unlikely to be

shared even by the most sympathetic legal experts. Nevertheless, there is general agreement that under federal law, IRA tribal governments do remain independent of certain forms of state jurisdiction, and therefore the state is opposed to their further proliferation, preferring instead to see new local government bodies established as municipalities under state law. Spokesmen for the state have said publically that IRA governments may not qualify in future for state funding. On the other hand, some observers point out that Governor Sheffield, elected in 1982 with strong Native support, is sensitive to Native aspirations for self-determination and may yet prove attentive to their demands.

The federal government is caught in the middle, being pressured on the one hand by Native groups to approve numerous applications to establish new IRA governments, while at the same time wishing to co-operate with the state, and seeking to forestall any political or judicial actions that might be damaging to relations among any of the parties, and possibly detrimental to long-term Native interests. A senior official in the Juneau headquarters of the Bureau of Indian Affairs said in April that about 30 unprocessed applications to establish tribal governments were on file at that time. He said the state had advised BIA that if federal law is amended to ensure that tribal governments are subject to certain civil actions under state law, then in turn the state would consider making tribal governments eligible for revenue sharing of the type to which ordinary municipalities are entitled.

Evidently many Natives think they can form tribal governments and still qualify for state funding. Either they think the state is bluffing, said the BIA official, or that as citizens of Alaska they can force the state to deliver services to and through IRA governments on constitutional grounds. However, there is a clause in the Alaska Constitution which prohibits the preferential treatment and even recognition of groups defined on the basis of race or ethnicity, and this prohibition could tell against the Natives should the matter go to court.

The concern with which both the federal and state governments view the sovereignty issue is demonstrated in a number of ways. During a recent visit to Anchorage, the United States Secretary of the Interior announced that there would be no sovereign Native states in Alaska. He is quoted in the Tundra Times of May 2, 1984, as saying that "we can have only one state here and that is the State of Alaska". Soon after, another senior Interior Department official carried the matter further when he pointed out that the United States Constitution transcends all Native claims, and therefore that tribal governments can have sovereign powers only as entities dependent on the federal government (Anchorage Times, June 6, 1984). At about the same time, the Governor of Alaska announced the appointment of an Alaska Native Sovereignty Task Force to investigate issues relating to the Indian Reorganization Act as it applies to Alaska, and how these

issues might be resolved. The task force includes several Native leaders, among them Emil Notti, who was prominent in working for passage of the Alaska Native Claims Settlement Act, and who is at present Commissioner of the Alaska Department of Community and Regional Affairs.

Appointment of the task force should serve to deflate the rhetoric that has surrounded the sovereignty issue. It also gives the state an active role along with the federal government in seeking solutions. Furthermore, the task force should enable the state to share centre stage with, and perhaps diminish the impact of, the Alaska Native Review Commission as it likewise proceeds to investigate, among other things, the question of sovereignty as it relates to the Alaska Native Claims Settlement Act. Thus the state becomes, and is seen to become, an active participant rather than a passive bystander waiting to react to the actions or recommendations of one or more other agencies.

Meanwhile, more Native groups are asserting claims to sovereignty. Not three weeks before this was written, the Anchorage press reported that three Yupik Eskimo villages in western Alaska had joined to declare themselves a "Yupik Nation" that hopes to administer its own educational and land use programs, while looking to the state and federal governments as sources of funding.

D. ARCTIC SCIENCE POLICY

A report titled "Issues in United States Arctic Science Policy Development" was circulated in the Department in June, 1983.

That report provided some historical background concerning efforts to develop an Arctic science policy at both the federal and state levels; presented some of the concerns of scientists and some of the factors which have inhibited policy development; described certain aspects of Native involvement in the issue; and outlined the main provisions of a science policy bill then before Congress.

By the end of June, 1984, after much debate and substantial amendment, the Arctic Research and Policy Act (Bill S.373) was passed by both the Senate and the House of Representatives, and at the time of writing it required only the signature of the President to become law. The bill establishes an Arctic Research Commission consisting of five members appointed by the President to serve staggered four-year terms, and including three members from academic or research institutions who are specialists in Arctic science; one indigenous resident of the Arctic; and one representative of private industry undertaking resource development in the Arctic.

The duties of the Commission include developing and making recommendations for an integrated national Arctic research policy, and providing guidelines and advice to an Interagency Arctic Research Policy Committee, also established by the Act. The latter body would consist of nine or possibly ten representatives of federal departments or agencies having interests in Arctic research. It would be chaired by a representative of the National Science Foundation and be responsible to the Director of the Foundation for fulfilling its mandate. The duties of the Interagency Committee would include co-ordinating the Arctic research activities of the various federal agencies; facilitating the co-operation of the State of Alaska and local governments; promoting co-operative programs with other nations; helping to determine priorities for future research; and assisting the Arctic Research Commission in developing an integrated research policy.

The Interagency Committee is also directed to prepare a comprehensive five-year plan for overall federal effort in Arctic research, and in so doing is required to consult the Arctic Research Commission, the Governor of Alaska, residents of the Arctic, the private sector, and public interest groups. The research plan must be completed one year after enactment of the bill, and be revised every two years thereafter. In addition,

the bill would instruct the Office of Management and Budget to provide the U.S. Coast Guard with the necessary funding to procure and operate icebreakers needed to provide platforms for conducting Arctic research.

The Arctic Research and Policy bill is a product of much political maneuvering, and reflects efforts to accommodate many special interest groups in Alaska and Washington. A comparison of earlier and later versions of the bill suggests that there has been some reduction in emphasis on participation by the state. For example, earlier versions gave the Governor of Alaska a role in appointing members to the policy-making body, but the provision was dropped. Provisions guaranteeing that the University of Alaska would be represented also were deleted.

For several years, Native leaders of the North Slope Borough have been pressing for science policy legislation relevant to their interests in preserving the environment, renewable resources, and the cultural values of their people. They worked with Alaskan scientists and lobbied Alaska's congressional delegation for a bill that would ensure Native policy inputs.

An early version of the bill strongly emphasized participation by Native people. Subsequent drafts completely removed any specific references to Natives, but the final version specifies that one Commission member shall be "an indigenous resident" of the Arctic.

Again, early drafts called for establishment of a \$25 million Arctic Research Fund. According to a University of Alaska scientist who has been a moving force behind the bill, reference to a research fund was dropped because the Reagan administration was unsympathetic. Indeed it is said that the administration remains generally unsympathetic to the bill as a whole. When interviewed in Anchorage last March, the Alaska University scientist was lobbying for inclusion of a compromise clause that would have provided for a \$12 million research fund, evidently to no avail. He suggested that removal of all reference to a research fund would diminish significantly the bill's effectiveness. Furthermore, he did not favour establishing two separate bodies for policy formulation and implementation respectively, but preferred to see the two functions embodied in a single Policy Council. From this and other evidence it is clear that Alaskan interest groups did not get everything they wanted in the Arctic policy bill.

The state has pressed the federal government for action on a science policy through several avenues, including a resolution passed in 1981 by both houses of the Legislature urging Congress to give favourable attention to the policy bill then before it. The state had established the Alaska Council on Science and Technology (ACST) in 1978, and lately seemed to be awaiting the outcome of congressional deliberations before taking further

policy initiatives of its own. My Anchorage informant said that the ACST, which administered a program of research grants and provided advisory services to the executive and legislative branches of the state government, was now "just about moribund". Furthermore, the attitude of Governor Sheffield toward scientific research was unlike that of his predecessor, and "about as unsympathetic as the President's". Consequently both state and federal funding for science in Alaska had been cut from a total of \$220 million in 1983 to about \$170 million in 1984, and the University of Alaska was "in real trouble". Just how much the Alaskan scientific community can hope to benefit from recent congressional initiatives remains to be seen.

E. OFFSHORE PETROLEUM DEVELOPMENT

1. Background

Offshore petroleum exploration and development activity in Alaskan waters dates back to the 1960's, when oil and gas were found in commercial quantities in Cook Inlet, on the south coast. From there exploration was expanded to include the Gulf of Alaska, the Beaufort Sea, and more recently the Bering Sea.

The state controls leasing of tracts for exploration in waters up to three miles from shore, while the federal government controls and leases areas beyond that limit, on what is defined for jurisdictional purposes as the Outer Continental Shelf (OCS). Alaskan OCS lands account for 74 percent of all U.S. offshore lands, and are believed to be among the richest in terms of petroleum resources.

The pace of federal OCS lease sales was accelerated after 1974, when the OPEC nations dramatically increased their oil prices, thereby stimulating the U.S. to strive for greater energy self-sufficiency. The expectation of future massive offshore development, and the attendant possibilities for extensive environmental damage, raised protests from conservationists, commercial fishermen, Natives dependent on subsistence-level marine resource harvesting, and coastal

communities fearful of negative social or environmental impacts.

2. Recent Developments

In 1981 the Secretary of the Interior announced a new five-year lease sale schedule designed to accelerate still further the pace of exploration and development. Furthermore, the new schedule related to virtually every coastal region of the state, including such rich commercial fishing areas as Bristol Bay on the west coast. This raised an even greater outcry from opposition groups.

The state likewise expressed strong objections, in part because of political pressure from an increasingly well-organized opposition, but also because the state would receive neither tax revenues nor royalties from OCS production on federal submerged lands, although it could expect to suffer the negative impacts of development. Governor Hammond and his successor in 1982, Governor Sheffield, both worked to persuade the federal government to adopt a slower leasing schedule, to exclude certain environmentally sensitive areas from leasing, and to give the state a greater voice in decisions pertaining to the scheduling, terms and conditions of leasing and development. Their efforts have met with some success, the latest evidence being that Secretary of the Interior William

Clark wrote to Governor Sheffield in March, 1984, announcing several concessions to state, environmentalist, fisheries, and Native interests.

These concessions included deletion from the five-year schedule of a proposed lease sale in the Chukchi Sea; deletion of many of the tracts in Bristol Bay; deferment or elimination of areas in the Beaufort Sea having a "projected low carbon potential"; provision for greater participation by local citizens in public hearings; and provisions to enhance the state's role in determining the adequacy of oil spill contingency plans and other measures. Observers have pointed out that the move to reduce the size of lease sale areas is prompted not only by environmental concerns and political pressures, but also by recognition of the need to achieve greater economy through concentration of oil exploration effort within more narrowly defined geographical locations.

Current offshore activities are concentrated in three areas: in the Beaufort Sea near Prudhoe Bay; in Norton Sound on the west coast; and in the St. George Basin, north of the Aleutians and west of Bristol Bay.

In the Beaufort Sea, a group of companies led by Sohio paid \$1.6 billion in 1982 for highly promising federal offshore tracts. Late in 1983, after a reported expenditure of \$250 million including \$100 million for construction of an artificial island, Sohio's Mukluk well yielded only sour water. However, early in 1984 Shell Oil reported a strike at Seal Island, in state waters about 40 miles from the Sohio site. On June 25, Shell announced that drilling of a second well had confirmed the discovery to be of commercial importance, having an estimated 300 million barrels of recoverable oil. The second well was drilled in federal waters, and both the state and federal governments are claiming ownership. The discovery brings new urgency to the need to resolve a dispute between the two levels of government over definition of shorelines and islands, and consequently over how to establish a three-mile limit in the Beaufort region.

As for the commercial importance of the Shell find, some industry people have called into question the assertion that 300 million barrels constitutes enough reserves to ensure profitability. One industry representative in Anchorage estimated that as much as 900 million barrels might be necessary to make production feasible in the Beaufort region, even with an operational pipeline located nearby.

The leasing of tracts off Alaska's west coast took place in 1983, and exploration activity is underway this present summer. By last June seven major oil companies had applied for permits to drill either in Norton Sound southeast of Nome, or in the St. George Basin north of the Aleutians, and up to eight drilling rigs were expected to be in operation during the summer and autumn of 1984. The U.S. Geological Survey has estimated that the Norton Sound tracts may yield 480 million barrels of oil, and that the St. George Basin may contain 1.1 billion barrels. Some observers are skeptical, however, about the future of offshore development on the west coast because of difficulties in delivering oil from there to U.S. markets. They point out that because a pipeline is in place for North Slope oil, the industry probably will continue to direct its best exploration efforts to that area.

3. Native Opposition and Involvement

Opposition groups are continuing to fight against Bering Sea exploration. Two Native villages on Norton Sound filed suit to halt the lease sale in March, 1983, on grounds that the sale violated their subsistence hunting rights under federal law. In the same month, similar legal action was taken by

the Association of Village Council Presidents (AVCP) which represents Native villages around Bristol Bay. The courts ruled against the Natives in both cases.

An AVCP spokesman said that Natives are not trying to stop all petroleum development, but think they should be more involved in decisions about development, and doubt that industry yet has the technology to protect marine resources against spills. The Department of the Interior has admitted the likelihood of two or three 1000-barrel spills in the course of recovering 480 million barrels of oil from Norton Sound.

That Natives are not universally opposed to offshore development is demonstrated by the fact that Native corporations have financial interests in offshore drilling on the North Slope, and in businesses which provide onshore services to the drilling companies. Lately Native businessmen have shown interest in Bering Sea development, and at least two regional Native corporations are cooperating in plans to provide support services there.

4. Some Industry Perspectives

There are signs that the oil industry is becoming more selective in its bidding for offshore leases, particularly after Sohio's costly failure in an area previously judged to have the highest potential. According to an industry official, many companies are having second thoughts before paying millions of dollars, in advance, for drilling rights that may not be exercised for years due to the difficulties of offshore work in the Arctic, and to the fact that even if oil is found, there may be no near-term prospect of getting it to market. On the other hand, existing leasing arrangements are very favourable to the government, which from the day of sale earns interest on money received from the companies. Increasingly, leasing areas must appear to be very promising indeed before the companies will consider bidding.

The industry official was forthright about the environmental problems of Arctic offshore drilling, saying that deletion of the Chukchi Sea lease sale from the government's schedule had been wise and prudent because the industry, despite some of its claims, simply did not have the technology to cope with the adverse sea and ice conditions in that area. The Beaufort Sea likewise poses serious problems because of ice

conditions, and because of shallow water around the Barrier Islands which lie just off the coast. To establish harbour facilities in the shelter of the Barrier Islands will require a great deal of dredging that could cause erosion of the islands themselves. The islands serve to protect the mainland coast from wave and ice action, and industry is studying ways to reinforce them against the anticipated effects of major harbour development.

The industry, along with the state, has negotiated for years with the North Slope Borough to seek agreement about development restrictions on coastal lands. The Borough, which is the only regional government in the state controlled by Natives, has worked just as long to develop a coastal zone management plan as required by federal and state law. Until recently, the plans it submitted had been too restrictive to be acceptable to the state. Finally, said my informant, there is now a coastal management plan that the industry can live with. However, questions about the extent of the Borough's regulatory powers remain.

The Borough has pressed energetically to establish and expand its governing, regulatory, and taxation powers under the terms of its charter, and in keeping with the state constitution which allows flexibility and favours maximum

local government control. However, recently the Borough has modified its stance toward industry, becoming in industry's view more "realistic" with the passage of time. In this view, the Borough is seen as having learned to recognize that it must co-operate with industry, which furnishes virtually the entire local tax base. Without this tax base the Borough simply would not have had the millions of dollars that enabled it to embark on a massive capital works program which has transformed Borough communities in recent years and given jobs to most of the labour force.

5. Summary Note

It seems evident from the foregoing that oil industry interests and Native interests are not entirely antagonistic, although the rhetoric of debate might suggest otherwise. Natives on both the north and west coasts want a voice in the decision making process and a share in the economic benefits of development, while at the same time seeking to maintain subsistence hunting and cultural values which they see as tied to environmental preservation.

These latter concerns have received international attention in forums provided by the International Whaling Commission and the Inuit Circumpolar Conference. Still another and more recent effort to gain international support was made by the Association of Village Council Presidents, when in June

of this year it approached the International Commission on Folk Law and Legal Pluralism. The AVCP claims that the U.S. government has both ignored and distorted the advice of its own experts in proceeding with offshore lease sales, and says that government actions should be "internationally exposed by a reputable and credible international organization". Accordingly, the AVCP has asked the Folk Law Commission to consider undertaking a study of "the socio-cultural-economic impacts of OCS exploration and development on the way of life, culture, subsistence economy and religion of our native people". This language is reminiscent of the terms of reference given to the Alaska Native Review Commission by the Inuit Circumpolar Conference, and raises the possibility that high-profile "studies", carefully staged and publicized, many soon become an essential part of the international movement to advance the interests of indigenous circumpolar peoples.

F. MINING DEVELOPMENT - NORTHWESTERN ALASKA

Situated 90 miles north of Kotzebue and about 55 miles inland from the northwest coast, the Red Dog lead-zinc deposit is said to be one of the richest in the world. Early in 1982, the Cominco Corporation signed an agreement with the NANA Corporation to explore the feasibility of developing the deposit. NANA is the Native regional corporation for northwestern Alaska, established by the Alaska Native Claims Settlement Act.

Negotiations leading to the agreement were likened in the Anchorage press to a "jittery courtship", NANA's directors evidently having been very cautious about the development. NANA has always sought to maintain a balance between its profit goals, and a demonstrated commitment to social development goals and the preservation of traditional cultural values.

Accordingly, the Native Corporation has been concerned to protect the natural environment, and with it the subsistence hunting way of life that is still followed on a full or part-time basis by many corporate shareholders. Another concern has been that mining development might bring many outsiders to take away jobs and business opportunities from local people, and change the demographic character of this Inupiat Eskimo culture area.

Obviously NANA's directors also want to share in the profits of development, and to provide a stable employment base for regional residents. After a tour of Cominco mines in northern Canada and Greenland, and after hiring a consulting firm to advise and assist, NANA negotiated an agreement that seems to reflect its varied interests and concerns. It is understood that from the outset, Cominco makes minimum payments to NANA of \$1 million per year. If the mine goes to production, NANA will receive a share of the profits which increases by stages after Cominco has recovered its development costs, until a point where the two corporations share the proceeds on a 50-50 basis.

NANA shareholders, their spouses and dependents will be given job preference and job training. To avoid any substantial increase in the population of the region, there will be no permanent housing at the mine site. Work will be on a rotational basis, partly to give local people time for hunting and fishing. The agreement further requires Cominco officials to visit the villages at least once a year to keep residents informed about progress on the project. A subsistence committee having local village membership will monitor mine operations, and on its recommendation NANA will have the right to close down the mine if there is substantial interference with renewable resources harvesting.

A decision about proceeding with the development is expected in the near future. Cominco has said that production might begin in the late 1980's; an independent analyst has suggested that Red Dog is the only remotely located mineral deposit in Alaska that has a reasonable chance of being in production by the early 1990's. Estimated reserves are 85 million tons of ore, with average grades of 17% zinc and 5% lead. According to Cominco, the mine would have a potential life of 50 years.

At present, the most critical factors affecting the profitability of Red Dog appear to be depressed lead-zinc prices and the high cost of getting the ore to market. It is estimated that a port facility and road connecting it to the mine site would cost about \$135 million. The road would have to cross a part of the Cape Krusenstern National Monument. This presented an environmental issue which appears to have been settled recently when the federal government agreed to trade land for a right-of-way within the preserve for other land owned by the NANA Corporation.

A report by the Alaska Department of Commerce and Economic Development, issued in March, 1984, suggested that investment by the state in a transportation infrastructure might be warranted, since the mine would create between 350 and 400 permanent jobs,

and state tax revenues might go as high as \$20 million per year. In a private interview, an economist with close links to the Department raised a point about the mine's future viability that has received little public attention: namely, that the Red Dog deposit lies wholly or partly within the boundaries of the North Slope Borough, which overlaps the NANA region, and that judging by the Borough's past record in dealing with the oil companies at Prudhoe Bay, it can be expected to exact a heavy toll in taxes on profits from the operation. Another factor to be considered, said the economist, was technological innovation that might reduce world demand for zinc. The Japanese automotive industry is developing plastic substitutes for many metal car parts, and Japan is the most likely market for Red Dog ore.

The same informant went on to say that because the main prospective market is Japan rather than the United States, he did not think that Red Dog was a serious threat to the future of the Anvil Mine in Yukon. It has been suggested by others that because Red Dog's ore is richer and closer to tidewater, its development would mean that Anvil would remain closed permanently.

G. CONCLUDING REMARKS

This report has looked at some current and recent developments relevant to the implementation of the Alaska Native Claims Settlement Act, and at selected resource development issues. By way of follow-up to an earlier paper, it also reports on recent efforts in the direction of formulating an Arctic science policy.

While these topics may seem diverse and unrelated, there are in fact certain linkages between them that warrant their presentation in a single report. One common thread that runs throughout is the growing involvement of Native people in mainstream socio-economic and political developments in Alaska. The Settlement Act and its aftermaths have had and will continue to have far-reaching consequences for resource development. ANCSA established the Native institutions that are now becoming actively involved in development, gave Natives a land base that could be developed, and in fact made Native participation possible and virtually inevitable. It is not going too far to say that, had there been no Settlement Act, much resource development now and in the future might have been made difficult or even impossible, for as long as there was no settlement, title to most of Alaska's land remained clouded because of Native claims upon it.

The relationship of science policy to resource development seems clear, and is specifically recognized in the language of the Arctic Research and Policy bill which, in outlining its purposes, begins by stressing the vital importance of onshore and offshore Arctic energy resources, calls the Alaskan coastal fishery "one of the Nation's greatest commercial assets", and acknowledges the importance of Arctic wildlife habitat. Clearly the message is that science can point the way to exploiting energy resources while at the same time conserving fisheries and wildlife. The message of course reflects Native concerns and indicates why they wish to play a part in science policy formulation.

This paper, like a preceding one on Alaska Native corporations, combines material from documentary and published sources with other information gathered in the course of personal interviews during a recent trip to Alaska. While the two reports present the main findings of that trip, other information also was gathered which, rather than being specifically issue-oriented, is more descriptive of the functions and activities of certain public and private sector organizations which are responsible for the delivery of various social, educational, and community services to villages and regions in rural Alaska. Available information in this category includes material on three private organizations which operate statewide: the Alaska Federation of Natives, the Alaska Native Foundation, and the Rural Alaska

Community Action Program. It also includes information on three departments of the state government (Community Affairs, Economic Development, and Education) and on two Native non-profit regional corporations. Anyone interested in obtaining descriptive material on one or another of these organizations is invited to contact Circumpolar Affairs.

APPENDIX 1

List of Alaskan Contacts Between
March 19 and April 5, 1984

Anchorage

Ms. Marsha Bennett
Staff Sociologist
Alaska Outer Continental Shelf Office
United States Department of the Interior

Prof. Stephen Conn
Justice Center
University of Alaska

Ms. Sue Degler
Environmental Planner
Sohio Alaska Petroleum Ltd.

Mr. William Dubay
Editor
Arctic Policy Review
(Publisher: North Slope Borough)

Mr. Robert Faithful
Assistant Deputy State Director
Bureau of Land Management
United States Department of the Interior

Ms. Patty Ginsberg
Director
Public Information
Alaska Federation of Natives

Mr. Lee Gorsuch
Director
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University of Alaska

Dr. David Hickok
Director
Arctic Environmental Information and Data Center
University of Alaska

Mr. Robert Lohr
Executive Director
Rural Alaska Community Action Program

Ms. Sharon McClintock
Director
ANCSA Technical Assistance Program
Alaska Native Foundation

Mr. Curtis McVee
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United States Department of the Interior

Prof. Thomas Morehouse
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Mr. Thomas Warren
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Alaska Outer Continental Shelf Office
United States Department of the Interior

Fairbanks

Prof. David Case
Native Studies Program
University of Alaska

Prof. Andrew Hageman
School of Management
University of Alaska

Mr. Raymond Kent
Management Concepts, Inc.
(Consultant - ANCSA 1985 Study)

Prof. Judith Kleinfeld
Institute of Social and Economic Research
University of Alaska

Prof. Michael Krauss
Department Head
Alaska Native Languages Study Center
University of Alaska

Prof. Donald Lynch
Department of Geography
University of Alaska

Prof. Frederick Milan
Institute of Arctic Biology
University of Alaska

Prof. James Orvik
Center for Cross-Cultural Studies and Research
University of Alaska

Prof. Roger Pearson
Department of Geography
University of Alaska

Mr. Paul Sherry
Director of Programs
Tanana Chiefs Conference, Inc.

Mr. Robert Taylor
Director
Finance and Administration
Tanana Chiefs Conference, Inc.

Juneau

Prof. Gary Anders
School of Business
University of Alaska

Dr. William Bramble
Director
Technology and Telecommunications
Alaska Department of Education

Dr. Thomas Chester
Chief Statistician
Division of Strategic Planning
Office of the Governor of Alaska

Mr. Paul Cunningham
Planning Supervisor
Municipal and Regional Assistance
Alaska Department of Community and Regional Affairs

Mr. Joseph Donahue
Director
Division of Trust Services
United States Bureau of Indian Affairs

Mr. Gabriel George
Resource Management Specialist
Alaska Department of Fish and Game

Mr. Jacob Lestenkoff
Director
Alaska Area
United States Bureau of Indian Affairs

Mr. David Mills
Acting Director
Division of Subsistence
Alaska Department of Fish and Game

Mr. John Moore
formerly Director of Programs (retired)
Alaska Area Office
United States Bureau of Indian Affairs

Mr. Ernest Polley
Director of Research
Alaska Department of Education

Mr. Ronald Walt
Economic Advisor
Alaska Department of Commerce and Economic Development

Mr. James Wiedeman
Development Specialist
Alaska Department of Commerce and Economic Development

APPENDIX 2

Selected Documentary Sources

1. Articles, Books

Anders, Gary C. "Limited Means and Rising Expectations: The Politics of Alaska Native Corporations". (Unpublished) 1984

Case, David. "Alaska Native Sovereignty: The Final Claim?" (Unpublished) 1983

Cornwall, Peter, and Gerald McBeath (eds.). Alaska's Rural Development. Boulder: Westview Press, 1982

Morehouse, Thomas A. (ed.) Alaska Resources Development: Issues of the 1980's. Boulder: Westview Press, 1984

2. Periodicals

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Orbit: The Cominco Quarterly. June, 1983

4. Legislative Documents

Alaska Native Claims Settlement Act. (Public Law 92-203). December 18, 1971

Alaska National Interest Lands Conservation Act. (Public Law 96-487) December 2, 1980

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