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SENATE

{ REPORT
{ 106-264

ALASKA NATIVE CLAIMS SETTLEMENT ACT AND LAND CONVEYANCE TO THE CITY OF CRAIG, ALASKA

APRIL 12, 2000.—Ordered to be printed

Mr. MURKOWSKI, from the Committee on Energy and Natural
Resources, submitted the following

REPORT

[To accompany S. 1797]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 1797) to amend the Alaska Native Claims Settlement Act, to provide for a land conveyance to the City of Craig, Alaska, and for other purposes, having considered the same, reports favorably thereon with an amendment and an amendment to the title and recommends that the bill, as amended, do pass.

The amendments are as follows:

1. Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. LAND EXCHANGE WITH CITY OF CRAIG, ALASKA.

(a) At such time as Congress appropriates funds sufficient for the Secretary of Agriculture to acquire non-Federal lands within conservation system units on the Tongass National Forest, the Secretary shall convey to the City of Craig, Alaska, all Federal interests in the lands identified in subsection (b): *Provided*, That the lands conveyed to the City of Craig shall be of equal value to the lands acquired by the Secretary of Agriculture pursuant to this subsection.

(b) The approximately 4,532 acres of Federal lands to be conveyed to the City of Craig are described as follows:

(1) All Federal land in the following described protracted and partially surveyed townships in the Cooper River Meridian, Alaska:

- (A) Within T. 71 S., R. 81 E—
 - Section 24, E $\frac{1}{2}$;
 - Section 25, E $\frac{1}{2}$, S $\frac{1}{2}$ SW $\frac{1}{4}$;
 - Section 36.
 - Containing 1360 acres, more or less;
- (B) Within T. 71 S., R. 82 E—
 - Section 19, S $\frac{1}{2}$ SW $\frac{1}{4}$;
 - Section 29, W $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$;
 - Section 30, All;
 - Section 31, All.

- Containing 1500 acres, more or less; and
 (C) Within T. 72 S., R. 82 E—
 Section 5, SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$, SW $\frac{1}{4}$;
 Section 6, All;
 Section 7, NE $\frac{1}{4}$ NE $\frac{1}{4}$;
 Section 8, W $\frac{1}{2}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$;
 Section 17, NW $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$,
 NW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$;
 Section 20, NE $\frac{1}{4}$.
 Containing 1672 acres, more or less.

2. Amend the title so as to read:

A bill to provide for a land conveyance to the City of Craig, Alaska, and for other purposes.

PURPOSE OF THE MEASURE

The purpose of S. 1797 is to provide for a land conveyance to the city of Craig, Alaska, and for other purposes.

BACKGROUND AND NEED

The city of Craig has grown from 250 people in 1971 to a population of 2,136 today. The city of Craig submitted at least one letter, in 1969, to the State of Alaska requesting that the State select lands in the vicinity of Craig for the benefit of Craig pursuant to section 6(a) of the Alaska Statehood Act. However, this request did not result in any land conveyances to the city of Craig. Subsequent land conveyances to village corporations, and tax provisions of federal law—which prevent the taxation of undeveloped native lands within the city limits—have had the unintended effect that the city cannot assess taxes on most of the property in the townsite. This constrains the city's means of financing its burgeoning municipal needs. The conveyance of lands from enactment of S. 1797 would provide the city with a land base to support municipal services.

The Tongass National Forest contains many parcels of land in non-Federal ownership that, if acquired, would improve the management of the National Forest resources. S. 1797 prohibits the Secretary of Agriculture from conveying identified lands to the city of Craig unless Congress appropriates funds sufficient to acquire non-Federal inholdings within the Tongass National Forest.

LEGISLATIVE HISTORY

S. 1797 was introduced on October 26, 1999, by Senator Murkowski. The Committee on Energy and Natural Resources held a hearing on S. 1797 on February 10, 2000. At the business meeting on April 5, 2000, the Committee on Energy and Natural Resources ordered S. 1797 reported favorably with an amendment in the nature of a substitute.

COMMITTEE RECOMMENDATION AND TABULATION OF VOTES

The Senate Committee on Energy and Natural Resources, in open business session on April 5, 2000, by a unanimous voice vote of a quorum present recommends that the Senate pass S. 1797 if amended as described herein.

COMMITTEE AMENDMENT

During consideration of S. 1797, the Committee adopted an amendment in the nature of a substitute. The amendment changes the title of the Act. In addition the amendment prohibits the Secretary of Agriculture from conveying the identified lands to the city of Craig, Alaska, unless and until Congress appropriates funds sufficient for the Secretary of Agriculture to acquire inholdings on the Tongass National Forest that are of equal value.

SECTION-BY-SECTION ANALYSIS

Section 1(a) authorizes the Secretary of Agriculture to: acquire lands within conservation system units of the Tongass National Forest, at such time as Congress appropriates sufficient funds; and convey a parcel of land to the city of Craig that is of equal value.

Subsection (b) describes the lands to be conveyed to the city of Craig.

COST AND BUDGETARY CONSIDERATIONS

The Congressional Budget Office (CBO) estimate of the costs of this measure follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 12, 2000.

Hon. FRANK H. MURKOWSKI,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1797, a bill to amend the Alaska Native Claims Settlement Act, to provide for a land conveyance to the city of Craig, Alaska, and for other purposes.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Megan Carroll.

Sincerely,

ROBERT A. SUNSHINE
(For Dan L. Crippen, Director).

Enclosure.

S. 1797—A bill to amend the Alaska Native Claims Settlement Act, to provide for a land conveyance to the city of Craig, Alaska, and for other purposes

CBO estimates that implementing S. 1797 would increase discretionary spending by \$5 million over the 2001–2005 period, assuming appropriation of the necessary amounts. The bill would not affect direct spending or receipts; thus, pay-as-you-go procedures would not apply. S. 1797 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act. The bill would benefit the city of Craig, Alaska, by providing land from which the city may generate new revenues to pay for city services. The budgets of other state, local, and tribal governments would not be significantly affected by this bill.

S. 1797 would direct the Secretary of Agriculture to convey approximately 4,500 acres of land within the Tongass National Forest

to the city of Craig, Alaska. That land would be conveyed when sufficient funds are appropriate for the Forest Service to acquire comparable nonfederal lands within that forest. Based on information from the Forest Service, CBO estimates that acquiring such lands would cost about \$5 million over the 2001–2005 period.

According to the Forest Service, the lands that would be conveyed to the city do not currently generate any significant receipts, and the agency does not expect them to generate any significant receipts in the foreseeable future. The lands that would be conveyed are part of a larger area where the timber was offered for sale in 1999. No bids were received for this timber and the agency does not plan to reoffer the sale in the near future.

The CBO staff contract is Megan Carroll. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out S. 1797.

The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses.

No personal information would be collected in administering the program. Therefore, there would be no impact on personal privacy.

Little, if any, additional paperwork would result from the enactment of S. 1797, as ordered reported.

EXECUTIVE COMMUNICATIONS

On April 6, 2000, the Committee on Energy and Natural Resources requested legislative reports from the Department of the Interior and the Office of Management and Budget setting forth Executive agency recommendations on S. 1797. These reports had not been received at the time the report on S. 1797 was filed. When the reports become available, the Chairman will request that they be printed in the Congressional Record for the advice of the Senate. The testimony provided by the Forest Service at the Subcommittee hearing follows:

STATEMENT OF JACK CRAVEN, DIRECTOR OF LANDS, FOREST SERVICE, DEPARTMENT OF AGRICULTURE

Mr. Chairman and Members of the Committee, thank you for the opportunity to be here today to present the Administration's views on S. 1797, a bill to convey to the City of Craig, Alaska a 4,560 acre parcel of National Forest System land from the Tongass National Forest.

The Administration strongly opposes S. 1797. However, we are aware of the City's financial difficulties and we will continue to work to assist the community through existing programs and to discuss other alternatives for helping the City.

S. 1797 is a bill to convey to the City of Craig, Alaska a 4,560 acre parcel of National Forest System land from the Tongass National Forest to broaden the City's tax base and assist Craig with its financial difficulties.

ADDITIONAL LANDS AFTER ANCSA?

Under Section 14(c)(3) of the Alaska Native Claims Settlement Act (ANCSA), each municipal entity received acreage for community expansion purposes. The Alaska State Office of the Bureau of Land Management has confirmed that the City of Craig has already received its Section 14(c)(3) entitlement. The City of Craig has gone through the same process as all the other communities in the Tongass regarding lands available or appropriate for selection and is not entitled to additional land selections.

NO COMPENSATION

S. 1797 would simply convey lands to the City of Craig. It provides no compensation to the American people for the 4,560 acres to which they would lose both ownership and access. An estimate of the market value, based on current timber stumpage values, is \$1,700 per acre for a total value of approximately \$8 million, and yet, the bill provides for transfer of the lands with no payment in return.

RESOURCE VALUES

In addition to the more easily quantifiable values, there are exceptional ecological values in the 4,560 acres, including: 860 acres of scenic viewshed, 320 acres of old growth habitat, 13 miles of class 1 anadromous fish stream, and 15 miles of class 2 resident fish stream. The area is also important for subsistence use by several local communities and it falls within the traditional territories of the Heenya Kwaan Tlingit. The City lacks the Forest Service's legal mandate to protect subsistence uses.

Likewise, the parcel is within the viewshed of a proposed scenic byway: the Thorne Bay to Control Lake to Coffman Cove road. Should the land be conveyed to the City of Craig, the Forest Service has concerns that it may be harvested for quick economic return and without regard to visual and other environmental impacts. The cut units would extend the existing visual impacts from harvest on the adjacent Sealaska Native Corporation lands (not subject to the same visual resource protections as National Forest System lands). In addition, the cuts would be visible from the Control Lake cabin, currently one of the highest use public recreation cabins on the Prince of Wales Island road system. Public recreation opportunities would also be negatively affected, as the conveyance would remove another two and a half miles of the road corridor from Forest Service jurisdiction, thus reducing the likelihood of developing public recreation sites along the mainline road. Without development of the recreation sites, fu-

ture growth of recreation and tourism on Prince of Wales Island would be limited.

LOST INVESTMENT

In addition to the value of the land and the cost of reducing the number of future public recreation sites and the visual appeal of current sites, there would be a direct dollar loss to the American taxpayer. The entire selection falls within the Control Lake Project Area, which includes 351 acres and 9.8 million board feet of timber being prepared for sale. The Forest Service has invested approximately \$300,000 to date in the timber sale, road layout, and environmental analysis work in the area. This investment would be lost if the land were simply conveyed to the City of Craig.

The Administration strongly opposes S. 1797, although we are aware of the City of Craig's financial difficulties and continue to offer our assistance to the community. In 1999, the Forest Service met three times with city representatives, twice in Washington, D.C. and once in Juneau, Alaska. The City also met with Under Secretary Jim Lyons' office. The Forest Service and Under Secretary Lyons' office discussed the situation and explored the City's proposal for legislation. Both the Forest Service and Under Secretary Lyons' office were clear that the legislation would be strongly opposed and encouraged the City to develop other alternatives. The City has not done so.

The Forest Service met again with the City on February 7. At this meeting the Forest Service explored with the City opportunities for additional federal financial assistance that may exist through the State and Private Forestry programs, such as grants, cooperative agreements, and economic development funding. Over the past several years, the City of Craig has received over \$170,000 in Forest Service Rural Community Assistance grants and over \$3,230,000 in payments from the Southeast Alaska Economic Fund. The FY 2000 budget does not include the City of Craig on the list of Southeast Alaska forest dependent communities to receive an additional \$22 million in aid from the Southeast Alaska Economic Disaster Fund.

In conclusion, the Administration strongly opposes S. 1797 as a land giveaway without compensation to the American taxpayers and as a dangerous precedent for allowing communities to seek additional land selections. The Department is committed to work with the City of Craig on other options for addressing their financial difficulties.

SUMMARY

In conclusion, the Department of Agriculture strongly opposes S. 1797 as a land giveaway without compensation to the American taxpayers and as a dangerous precedent for allowing communities to seek additional land selections. The Department is committed to continue to work

with the City of Craig on other options for addressing their financial difficulties.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes in existing law are made by S. 1797, as ordered reported.

