

**Testimony Regarding H.R. 3560,
The Southeast Alaska Native Land Entitlement Finalization Act
*“Haa Aaní” – Our Land***

**Testimony of
Byron Mallott, Board Member
Sealaska Corporation**

Before the House Committee on Natural Resources

November 14, 2007

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Mr. Chairman and Members of the Committee:

My name is Byron Mallott, and I am a Board Member for Sealaska Corporation, as well as a former President and CEO. I am from Yakutat, Alaska, and I am Shaa-dei-ha-ni (Clan Leader) of the Kwaashk'i Kwáan. My Tlingit name is K'oo deel taa.a. Accompanying me today at the witness table, to help answer questions, is Chris McNeil, the President and CEO of Sealaska. In the audience, we also have additional Sealaska Board Members – Dr. Rosita Worl; and Clarence Jackson of Kake, Alaska.

Thank you for the opportunity to testify on behalf of Sealaska Corporation regarding H.R. 3560, the “Southeast Alaska Native Land Entitlement Finalization Act,” or what we refer to as Haa Aaní, which in Tlingit means “Our Land”. Sealaska is the Alaska Native Regional Corporation for Southeast Alaska – one of 12 Regional Corporations established pursuant to the Alaska Native Claims Settlement Act (“ANCSA”). Our shareholders are descendants of the original inhabitants of Southeast Alaska – the Tlingit, Haida and Tsimshian people.

We provide significant economic opportunities for our shareholders and for the Southeast Alaska region through the development of our primary natural resource – timber. The profits from this development have allowed us to diversify our economic portfolio and to invest in cultural preservation, educational scholarships and internships for our shareholders and shareholder descendants. Through these efforts we have seen a resurgence of Native pride in our culture and language, most noticeable in our youth who are constantly defining what it means to

be native today. Our scholarships, internships and mentoring efforts have been successful beyond our wildest dreams, with our corporate shareholder employment at 85 % and shareholders filling the most senior positions in our corporation. None of this would have been possible without the passage of ANCSA, which, in some ways, remains a promise unfulfilled.

Congress enacted ANCSA in 1971 to recognize and settle the aboriginal claims of Alaska Natives to the lands that we have used since time immemorial for traditional, cultural, and spiritual purposes. ANCSA allocated 44 million acres of land to Alaska's Native people, to be allocated among and managed by the 12 Alaska Native Regional Corporations and more than 200 Village Corporations. Although ANCSA declared that the land settlement "should be accomplished rapidly, with certainty [and] conformity with the real economic and social needs of [Alaska] Natives," it has now been more than 35 years since the passage of ANCSA and Sealaska has not yet received conveyance of its full land entitlement.

Sealaska asks your support for the enactment of H.R. 3560 because it:

- provides some finality regarding its ANCSA land entitlement;
- will redress inequitable limitations on Sealaska's land selections by allowing it to select its remaining land entitlement from designated federal land outside of designated withdrawal areas;
- allows for Alaska Native ownership of sites with sacred, cultural, and historical significance to the Alaska Natives of Southeast Alaska;
- creates the opportunity for Sealaska to maintain a sustainable economy and to further economic and employment opportunities for Sealaska shareholders;

- provides a platform for Sealaska to contribute to the Southeast Alaska economy, a region that is struggling overall, but especially in our rural Native villages; and
- provides real conservation benefits in the region.

In sum, the bill resolves the long outstanding Sealaska entitlement issues in a manner consistent with the Congressional objectives of ANCSA, and enables the federal government to complete its statutory obligation to the Natives of Southeast Alaska under ANCSA.

There is a compelling basis for this legislation to pass. First, the original ANCSA withdrawals demonstrated a lack of understanding of the geography of the region, and a series of congressional actions further undermined the quality of the lands that were available for selection by Sealaska. For example, over 44% of the area within the withdrawal areas is water. Second, there is no dispute that Sealaska has a remaining land entitlement. This legislation does not give Sealaska additional land beyond that already promised by Congress. Third and finally, Sealaska has attempted to work closely with industrial users, environmental organizations, Native institutions, and local communities to craft legislation that provides the best result for the people, communities and environment of Southeastern Alaska. One thing has become extremely clear in this effort – that every acre of Southeast Alaska is precious to someone. Moreover, what is important to one group is not important to another. Simply put, with the vast array of interests, there is no way to achieve a complete consensus on where and how Sealaska should select its remaining entitlement. We believe that this legislation offers a good solution, but we remain committed to work with everyone to refine the selections.

Our ANCSA Land Entitlement and Selection Limitations

ANCSA provides a land allocation to Sealaska pursuant to Section 14(h)(8) of the Act. Our right to this land entitlement is undisputed. The only question is “where” this land will

come from. Our understanding of Bureau of Land Management projections for completion of 14(h)(8) is that there are between 65,000 and 85,000 acres of land remaining to be conveyed to Sealaska. ANCSA limits Sealaska land selections to withdrawal areas surrounding certain Native villages in Southeast Alaska. The problem is that there are no lands remaining in these withdrawal areas that meet Sealaska's traditional, cultural, or historic needs, and certain of those lands should more appropriately remain in public ownership. The remaining valuable timber areas within the selection areas are predominantly old growth and roadless areas with important public interest values. Large portions should remain undeveloped because of proximity to local communities or to subsistence resources; and much of the original withdrawal area would require Sealaska to construct additional logging roads, further diminishing the number of roadless acres in the region.

The current ANCSA selection limitations preclude Sealaska from using any of its remaining ANCSA land settlement to select places of sacred, cultural, traditional, and historic significance located outside the withdrawal areas that are critical to facilitate the perpetuation and preservation of Tlingit, Haida and Tsimshian culture and history. Moreover, selection from the withdrawal areas would not allow Sealaska to meet the purposes of ANCSA – to create continued economic opportunities for the Native people of Southeast Alaska.

Legislative Solution Provided by H.R. 3560

While the lands within the original withdrawal areas are inadequate to meet Sealaska's traditional, cultural, historic and socioeconomic needs, these lands are not without significant and important public interest value. For example, approximately 85 percent are classified by the United States Forest Service as designated roadless areas. A significant portion is Productive Old-Growth forest, with over half of that being Old Growth Reserves as classified in the Tongass

Land Management Plan. This legislation would allow these lands to remain in public ownership to be managed consistent with the Tongass Forest Plan.

The legislation would then allow Sealaska to select a portion of its remaining entitlement from an alternative pool of land, 77 percent of which is already roaded and mostly second-growth forest. Moreover, this legislation would allow Sealaska to use a portion of its entitlement to gain title to important cultural, historical, and recreational sites that are important to the preservation of Native history and culture, and to advance Native social and cultural programs. These sacred, cultural and historic sites are relatively small in size, but are invaluable to our people. Lastly, the legislation would allow Sealaska to select certain lands for purposes of Native enterprise, which is primarily for activities with limited land use impacts and would include cultural programs and small-scale tourism/eco-tourism, which would allow Sealaska to diversify its economic portfolio and provide job opportunities for its shareholders and other residents of Southeast Alaska.

This legislation does not address what Sealaska's final land entitlement will be, leaving the final iterations of the final acreage to the usual ANCSA section 14(h) processes. Sealaska at the urging of some Administration officials is, however, engaging in discussions with the appropriate parties to possibly develop a final acreage amount prior to final enactment of this legislation.

Benefits of the Legislation to Others

The benefits of this legislation extend far beyond Sealaska and its shareholders. Despite Sealaska's small land base in comparison to all other Regional Corporations, Sealaska has historically provided significant economic benefits to not only Sealaska Native shareholders, but also to the other Native Corporations throughout Alaska. Pursuant to a revenue sharing

provision in ANCSA, Sealaska distributes considerable revenues derived from development of its timber resources - more than \$300 million between 1971 and 2005 – to the other Native Corporations. By making selections outside of the designated withdrawal areas, Sealaska will be able to sustain its resource development operations by acquiring a mix of mature and advanced second growth, enabling it to provide continued economic opportunities for the Native people of Southeast Alaska and economic benefits to the broader Alaska Native community through revenue sharing. For that reason, Sealaska has the support of the Alaska Federation of Natives, and the Tlingit and Haida Indian Tribes, among others.

The role of Sealaska in the Southeast Alaska economy is undisputed. Sealaska's timber operations provide significant positive economic impact to the region, including continued utilization of the timber harvesting sector and creation of jobs in some of the poorest rural Native communities in our region. For that reason, Sealaska has the support of the Alaska Forest Association and several Native villages in its efforts to complete its ANCSA land entitlement.

We also see a benefit to the conservation community through enactment of this legislation. In lieu of old growth, roadless areas in the original withdrawal areas, Sealaska would take a majority of its remaining entitlement from areas that are already roaded, with largely second-growth timber. Moreover, Sealaska would use nearly 9,000 acres of its remaining entitlement to gain title to sacred, historic, and cultural sites, and Native enterprise sites, on which there would be no commercial timber harvest. Southeast Alaska tribes, and Native Village and Urban Corporations have passed resolutions in support of this legislation because they recognize the need to preserve our sacred areas and culture, and to create local, sustainable, diversified economies. This legislation gives them the opportunity to join with Sealaska to do both.

Lastly, there will be a benefit to the federal government to finally complete the ANCSA land entitlement conveyances for the Native Regional Corporation for Southeast Alaska. This would give the Bureau of Land Management some finality and closure in the region. It would also allow give the Forest Service some finality in its land ownership and management in the Tongass National Forest because there would no longer be large portions of the forest encumbered by Native land selection rights.

Haa Aani Sustainable Forest Management Program

At the core of Sealaska's land management is the perpetuation of a sustainable, well-managed forest to produce timber and to maintain forest ecological functions. Over 27% of Sealaska's classified forest lands are maintained in a natural state to protect fish habitat and water quality, to provide municipal drinking water and for protection of bald eagle nesting habitat. Our sustainable harvesting program will continue into the future by implementing good forest management practices and by completion of our Haa Aani' land selections that will provide Sealaska with a mix of old growth and more mature second growth timber. Our harvesting program and investing in good forest management provides jobs for our shareholders and others in the region, and helps maintain the ecological values in our forests.

In asking for your support of this legislation we are taking a huge risk by foregoing assured revenue from the harvesting of old growth timber from the originally withdrawn lands. We are also removing nearly 9,000 acres from timber base by selecting cultural and enterprise sites subject to timber harvest restrictions. Our selections from which timber harvest would be allowed are primarily from second-growth forest stands with only emerging markets. We believe, however, that we are on the cusp of a significant paradigm shift in our forest management. We are committed to investing the time, money and hard work in progressive

management of second growth stands, to capture alternative economies from forest management and to ensure that our place in the timber industry remains a sustainable, although realigned, component of the region's economy.

We are also creating alternative economies, revenues, and jobs from forest management strategies that include providing free enterprise markets for the purchase of ecological services. Moreover, we are monitoring developments related to climate change and carbon dioxide sequestration. In fact Sealaska testified just last week before the Senate Committee on Commerce, Science and Technology's Subcommittee on Science, Technology and Innovation, on the role of forest owners and opportunities for carbon sequestration in our forests.

Diversified Economies

This legislation would allow Sealaska to pursue more diversified economies and jobs for the communities in Southeast Alaska by preserving and sharing the richness of Southeast Alaska's natural and cultural history. The Sacred sites and the Enterprise sites offer a new opportunity for our region. It is not just the forest ecosystem, but the people it nourishes that defines the place. The declaration that this is a "Native" and "Scenic" place will ultimately protect it and proclaim its value to the world.

We are offering new ideas by selecting sacred and enterprise properties as part of an economic revitalization for our native and rural communities. With these new ideas, there are palpable concerns over the use and management of these sites. Sealaska would like to offer our principles for the use and management of these sites:

- Sacred sites. These sites will be selected and managed to ensure an active Native role in the preservation and celebration of the rich Native fabric and history of Southeast Alaska.

The sites are purely for historic, cultural and anthropologic preservation, research and education.

- Enterprise sites. These sites will be selected and managed to promote recreational activities with little land use impacts, and for ecologically sensitive, non-consumptive uses to demonstrate the very best attributes of the Tongass Forest's beauty and spirituality, which will ultimately strengthen public support to protect this last great place and the people and their culture who make it unique among forests of the world.

Our Future in the Region

Our people have lived in the area that is now the Tongass National Forest since time immemorial. We will continue to live in this region because it is the heart of our history and culture. The Tongass is rich and diverse in cultural history, and there continue to be Native people here trying to live and survive in a subsistence and cash economy. We agree that areas of the region should be preserved, but also that our people have a right to pursue economic opportunities to survive in the world as it is today. This legislation is a sincere and open effort to meet both the interests of Alaska Native shareholders and the public. Sealaska believes that after full debate and close scrutiny, its aspirations to meet both its rightful land selection rights under ANCSA and the public interest in the Tongass will be recognized as both forward thinking and positive.

Lastly, it is important for all of us who live in the Tongass, as well as those who cherish the Tongass from afar, to recognize that the First Peoples of the Tongass – Tlingits, Haidas and Tsimshians – are committed to maintaining not just the flora, fauna and biological ecology of the Tongass, but to preserving this place as the land of our ancestors, with all that means in spirituality, values and beliefs. We have nowhere else to go and wish for no other place. The

Tongass is our home. We, therefore, look forward to a reasoned, open, and respectful process as we attempt to finalize our ANCSA land entitlement.

Gunalchéesh. Thank you.