

KENAI NATIVES ASSOCIATION EQUITY ACT AMENDMENTS
OF 1996

SEPTEMBER 4, 1996.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. YOUNG of Alaska, from the Committee on Resources,
submitted the following

R E P O R T

[To accompany H.R. 401]

[Including cost estimate of the Congressional Budget Office]

The Committee on Resources, to whom was referred the bill (H.R. 401) entitled the “Kenai Natives Association Equity Act”, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Kenai Natives Association Equity Act Amendments of 1996”.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds the following:

(1) The United States Fish and Wildlife Service and Kenai Natives Association, Inc., have agreed to transfers of certain land rights, in and near the Kenai National Wildlife Refuge, negotiated as directed by Public Law 102-458.

(2) The lands to be acquired by the Service are within the area impacted by the Exxon Valdez oil spill of 1989, and these lands included important habitat for various species of fish and wildlife for which significant injury resulting from the spill has been documented through the EVOS Trustee Council restoration process. This analysis has indicated that these lands generally have value for the restoration of such injured natural resources as pink salmon, dolly varden, bald eagles, river otters, and cultural and archeological resources. This analysis has also indicated that these lands generally have high value for the restoration of injured species that rely on these natural resources, including wilderness quality, recreation, tourism, and subsistence.

(3) Restoration of the injured species will benefit from acquisition and the prevention of disturbances which may adversely affect their recovery.

(4) It is in the public interest to complete the conveyances provided for in this Act.

(b) PURPOSE.—The purpose of this Act is to authorize and direct the Secretary, at the election of KNA, to complete the conveyances provided for in this Act.

SEC. 3. DEFINITIONS.

For purposes of this Act, the term—

- (1) “ANCSA” means the Alaska Native Claims Settlement Act of 1971 (43 U.S.C. 1601 et seq.);
- (2) “ANILCA” means the Alaska National Interest Lands Conservation Act (Public Law 96–487; 94 Stat. 2371 et seq.);
- (3) “Conservation system unit” has the same meaning as in section 102(4) of ANILCA (16 U.S.C. 3102(4));
- (4) “CIRI” means the Cook Inlet Region, Inc., a Native Regional Corporation incorporated in the State of Alaska pursuant to the terms of ANCSA;
- (5) “EVOS” means the Exxon Valdez oil spill;
- (6) “KNA” means the Kenai Natives Association, Inc., an urban corporation incorporated in the State of Alaska pursuant to the terms of ANCSA;
- (7) “Lands” means any lands, waters, or interests therein;
- (8) “Refuge” means the Kenai National Wildlife Refuge;
- (9) “Secretary” means the Secretary of the Interior;
- (10) “Service” means the United States Fish and Wildlife Service; and
- (11) “Terms and Conditions” means the Terms and Conditions for Land Consolidation and Management in the Cook Inlet Area, as clarified on August 31, 1976, ratified by section 12 of Public Law 94–204 (43 U.S.C. 1611 note).

SEC. 4. ACQUISITION OF LANDS.

(a) OFFER TO KNA.—

(1) IN GENERAL.—Subject to the availability of the funds identified in subsection (b)(3), no later than 90 days after the date of enactment of this Act, the Secretary shall offer to convey to KNA the interests in land and rights set forth in subsection (b)(2), subject to valid existing rights, in return for the conveyance by KNA to the United States of the interests in land or relinquishment of ANCSA selections set forth in subsection (b)(1). Payment for the lands conveyed to the United States by KNA is contingent upon KNA’s acceptance of the entire conveyance outlined herein.

(2) LIMITATION.—The Secretary may not convey any lands or make payment to KNA under this section unless title to the lands to be conveyed by KNA under this Act has been found by the United States to be sufficient in accordance with the provisions of section 355 of the Revised Statutes (40 U.S.C. 255).

(b) ACQUISITION LANDS.—

(1) LANDS TO BE CONVEYED TO THE UNITED STATES.—The lands to be conveyed by KNA to the United States, or the valid selection rights under ANCSA to be relinquished, all situated within the boundary of the Refuge, are the following:

(A) The conveyance of approximately 803 acres located along and on islands within the Kenai River, known as the Stephanka Tract.

(B) The conveyance of approximately 1,243 acres located along the Moose River, known as the Moose River Patented Lands Tract.

(C) The relinquishment of KNA’s selection known as the Moose River Selected Tract, containing approximately 753 acres located along the Moose River.

(D) The relinquishment of KNA’s remaining ANCSA entitlement of approximately 454 acres.

(E) The relinquishment of all KNA’s remaining overselections. Upon completion of all relinquishments outlined above, all KNA’s entitlement shall be deemed to be extinguished and the completion of this acquisition will satisfy all of KNA’s ANCSA entitlement.

(F) The conveyance of an access easement providing the United States and its assigns access across KNA’s surface estate in the SW $\frac{1}{4}$ of section 21, T. 6 N., R. 9 W., Seward Meridian, Alaska.

(G) The conveyance of approximately 100 acres within the Beaver Creek Patented Tract, which is contiguous to lands being retained by the United States contiguous to the Beaver Creek Patented Tract, in exchange for 280 acres of Service lands currently situated within the Beaver Creek Selected Tract.

(2) LANDS TO BE CONVEYED TO KNA.—The rights provided or lands to be conveyed by the United States to KNA, are the following:

(A) The surface and subsurface estate to approximately 5 acres, subject to reservations of easements for existing roads and utilities, located within the city of Kenai, Alaska, identified as United States Survey 1435, with-

drawn by Executive Order 2934, and known as the old Fish and Wildlife Service Headquarters site.

(B) The remaining subsurface estate held by the United States to approximately 13,811 acres, including portions of the Beaver Creek Patented Tract, the Beaver Creek Selected Tract, and portions of the Swanson River Road West Tract and the Swanson River Road East Tract, where the surface was previously or will be conveyed to KNA pursuant to this Act. The conveyance of these subsurface interests will be subject to the rights of CIRI to the coal, oil, and gas, and to all rights CIRI, its successors, and assigns would have under paragraph 1(B) of the Terms and Conditions, including the right to sand and gravel, to construct facilities, to have rights-of-way, and to otherwise develop its subsurface interests.

(C)(i) The nonexclusive right to use sand and gravel which is reasonably necessary for on-site development without compensation or permit on those portions of the Swanson River Road East Tract, comprising approximately 1,738.04 acres; where the entire subsurface of the land is presently owned by the United States. The United States shall retain the ownership of all other sand and gravel located within the subsurface and KNA shall not sell or dispose of such sand and gravel.

(ii) The right to excavate within the subsurface estate as reasonably necessary for structures, utilities, transportation systems, and other development of the surface estate.

(D) The nonexclusive right to excavate within the subsurface estate as reasonably necessary for structures, utilities, transportation systems, and other development of the surface estate on the SW $\frac{1}{4}$, section 21, T. 6 N., R. 9 W., Seward Meridian, Alaska, where the entire subsurface of the land is owned by the United States and which public lands shall continue to be withdrawn from mining following their removal from the Refuge boundary under subsection (c)(1)(B). The United States shall retain the ownership of all other sand and gravel located within the subsurface of this parcel.

(E) The surface estate of approximately 280 acres known as the Beaver Creek Selected Tract. This tract shall be conveyed to KNA in exchange for lands conveyed to the United States as described in subsection (b)(1)(B).

(3) PAYMENT.—The United States shall make a total cash payment to KNA for the above-described lands of \$4,443,000, contingent upon the appropriate approvals of the Federal or State of Alaska EVOS Trustees (or both) necessary for any expenditure of the EVOS settlement funds.

(4) NATIONAL REGISTER OF HISTORIC PLACES.—Upon completion of the acquisition authorized in subsection (a), the Secretary shall, at no cost to KNA, in coordination with KNA, promptly undertake to nominate the Stephanka Tract to the National Register of Historic Places, in recognition of the archaeological artifacts from the original Dena'ina Settlement. If the Department of the Interior establishes a historical, cultural, or archaeological interpretive site, KNA shall have the exclusive right to operate a Dena'ina interpretive site on the Stephanka Tract under the regulations and policies of the department. If KNA declines to operate such a site, the department may do so under its existing authorities. Prior to the department undertaking any archaeological activities whatsoever on the Stephanka Tract, KNA shall be consulted.

(c) GENERAL PROVISIONS.—

(1) REMOVAL OF KNA LANDS FROM THE NATIONAL WILDLIFE REFUGE SYSTEM.—

(A) Effective on the date of closing for the Acquisition Lands identified in subsection (b)(2), all lands retained by or conveyed to KNA pursuant to this Act, and the subsurface interests of CIRI underlying such lands shall be automatically removed from the National Wildlife Refuge System and shall neither be considered as part of the Refuge nor subject to any laws pertaining solely to lands within the boundaries of the Refuge. The conveyance restrictions imposed by section 22(g) of ANCSA (i) shall then be ineffective and cease to apply to such interests of KNA and CIRI, and (ii) shall not be applicable to the interests received by KNA in accordance with subsection (b)(2) or to the CIRI interests underlying them. The Secretary shall adjust the boundaries of the Refuge so as to exclude all interests in lands retained or received in exchange by KNA in accordance with this Act, including both surface and subsurface, and shall also exclude all interests currently held by CIRI. On lands within the Swanson River Road East Tract, the boundary adjustment shall only include the surface estate where the subsurface estate is retained by the United States.

(B)(i) The Secretary, KNA, and CIRI shall execute an agreement within 45 days of the date of enactment of this Act which preserves CIRI's rights

under paragraph 1(B)(1) of the Terms and Conditions, addresses CIRI's obligations under such paragraph, and adequately addresses management issues associated with the boundary adjustment set forth in this Act and with the differing interests in land resulting from enactment of this Act.

(ii) In the event that no agreement is executed as provided for in clause (i), solely for the purposes of administering CIRI's rights under paragraph 1(B)(1) of the Terms and Conditions, the Secretary and CIRI shall be deemed to have retained their respective rights and obligations with respect to CIRI's subsurface interests under the requirements of the Terms and Conditions in effect on June 18, 1996. Notwithstanding the boundary adjustments made pursuant to this Act, conveyances to KNA shall be deemed to remain subject to the Secretary's and CIRI's rights and obligations under paragraph 1(B)(1) of the Terms and Conditions.

(C) The Secretary is authorized to acquire by purchase or exchange, on a willing seller basis only, any lands retained by or conveyed to KNA. In the event that any lands owned by KNA are subsequently acquired by the United States, they shall be automatically included in the Refuge System. The laws and regulations applicable to Refuge lands shall then apply to these lands and the Secretary shall then adjust the boundaries accordingly.

(D) Nothing in this Act is intended to enlarge or diminish the authorities, rights, duties, obligations, or the property rights held by CIRI under the Terms and Conditions, or otherwise except as set forth in this Act. In the event of the purchase by the United States of any lands from KNA in accordance with paragraph 1(B), the United States shall reassume from KNA the rights it previously held under the Terms and Conditions and the provisions in any patent implementing section 22(g) of ANCSA will again apply.

(E) By virtue of implementation of this Act, CIRI is deemed entitled to 1,207 acres of in-lieu subsurface entitlement under section 12(a)(1) of ANCSA. Such entitlement shall be fulfilled in accordance with paragraph 1(B)(2)(A) of the Terms and Conditions.

(2) **MAPS AND LEGAL DESCRIPTIONS.**—Maps and a legal description of the lands described above shall be on file and available for public inspection in the appropriate offices of the United States Department of the Interior, and the Secretary shall, no later than 90 days after enactment of this Act, prepare a legal description of the lands described in subsection (b)(1)(G). Such maps and legal description shall have the same force and effect as if included in the Act, except that the Secretary may correct clerical and typographical errors.

(3) **ACCEPTANCE.**—KNA may accept the offer made in this Act by notifying the Secretary in writing of its decision within 180 days of receipt of the offer. In the event the offer is rejected, the Secretary shall notify the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources and the Committee on Environment and Public Works of the Senate.

(4) **FINAL MAPS.**—Not later than 120 days after the conclusion of the acquisition authorized by subsection (a), the Secretary shall transmit a final report and maps accurately depicting the lands transferred and conveyed pursuant to this Act and the acreage and legal descriptions of such lands to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources and the Committee on Environment and Public Works of the Senate.

SEC. 5. ADJUSTMENTS TO NATIONAL WILDERNESS SYSTEM.

Upon acquisition of lands by the United States pursuant to section 4(b)(1), that portion of the Stephanka Tract lying south and west of the Kenai River, consisting of approximately 592 acres, shall be included in and managed as part of the Kenai Wilderness and such lands shall be managed in accordance with the applicable provisions of the Wilderness Act and ANILCA.

SEC. 6. DESIGNATION OF LAKE TODATONTEN SPECIAL MANAGEMENT AREA.

(a) **PURPOSE.**—To balance the potential effects on fish, wildlife, and habitat of the removal of KNA lands from the Refuge System, the Secretary is hereby directed to withdraw, subject to valid existing rights, from location, entry, and patent under the mining laws and to create as a special management unit for the protection of fish, wildlife, and habitat, certain unappropriated and unreserved public lands, totaling approximately 37,000 acres adjacent to the west boundary of the Kanuti National Wildlife Refuge to be known as the "Lake Todatonten Special Management Area", as depicted on the map entitled Proposed: Lake Todatonten Special Management Area, dated June 13, 1996, and to be managed by the Bureau of Land Management.

(b) MANAGEMENT.—

(1) Such designation is subject to all valid existing rights as well as the subsistence preferences provided under title VIII of ANILCA. Any lands conveyed to the State of Alaska shall be removed from the Lake Totatonten Special Management Area.

(2) The Secretary may permit any additional uses of the area, or grant easements, only to the extent that such use, including leasing under the mineral leasing laws, is determined to not detract from nor materially interfere with the purposes for which the Special Management Area is established.

(3)(A) The BLM shall establish the Lake Totatonten Special Management Area Committee. The membership of the Committee shall consist of 11 members as follows:

(i) Two residents each from the villages of Alatna, Allakaket, Hughes, and Tanana.

(ii) One representative from each of Doyon Corporation, the Tanana Chiefs Conference, and the State of Alaska.

(B) Members of the Committee shall serve without pay.

(C) The BLM shall hold meetings of the Lake Totatonten Special Management Area Committee at least once per year to discuss management issues within Special Management Area. The BLM shall not allow any new type of activity in the Special Management Area without first conferring with the Committee in a timely manner.

(c) ACCESS.—The Secretary shall allow the following:

(1) Private access for any purpose, including economic development, to lands within the boundaries of the Special Management Area which are owned by third parties or are held in trust by the Secretary for third parties pursuant to the Alaska Native Allotment Act (25 U.S.C. 336). Such rights may be subject to restrictions issued by the BLM to protect subsistence uses of the Special Management Area.

(2) Existing public access across the Special Management Area. Section 1110(a) of ANILCA shall apply to the Special Management Area.

(d) SECRETARIAL ORDER AND MAPS.—The Secretary shall file with the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources and the Committee on Environment and Public Works of the Senate, the Secretarial Order and maps setting forth the boundaries of the Area within 90 days of the completion of the acquisition authorized by this Act. Once established, this Order may only be amended or revoked by Act of Congress.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

PURPOSE OF THE BILL

H.R. 401 would authorize an exchange and acquisition of lands in Alaska between the Kenai Natives Association (KNA) and the U.S. Fish and Wildlife Service (FWS).

BACKGROUND AND NEED FOR LEGISLATION

H.R. 401 is intended to resolve a longstanding conflict over the use of lands conveyed under the Alaska Native Claims Settlement Act of 1971 (ANCSA) to the Native people of Kenai, Alaska. These lands have been precluded from development because of their location within the Kenai National Wildlife Refuge.

One purpose of ANCSA was to extinguish all outstanding aboriginal land claims held by Alaska Natives. Under ANCSA Alaska Native villages and urban centers were organized as corporations under Alaska law. Each urban corporation was given the right to select lands owned by the federal government located near its urban center. This was intended to give urban Natives ownership of land on which they could achieve economic benefits, since the urban corporations were only entitled to land and received no cash settlement. KNA was formed as an urban corporation and was entitled to receive 23,040 acres of land.

KNA ultimately selected 19,000 acres within what later became the Kenai National Wildlife Refuge. The KNA lands are located between operating oil fields within the Refuge to the north and urban and suburban developments to the south. At the request of the FWS, KNA officials chose lands along the boundaries of the Refuge so that development would be allowed. Notwithstanding the representation that development would be allowed in these locations, FWS advised KNA after land selections were made that use of the selected property was to be severely restricted under section 22(g) of ANCSA. Section 22(g) requires that all uses of private lands within the Refuge comply with the laws and regulations applicable to the public lands within the Refuge and that those lands be managed consistently with the purposes for which the Refuge was established. Section 22(g) has been the subject of a great degree of controversy in Alaska in that it significantly limits any economic use of privately owned lands within wildlife refuges. The Department of Interior Solicitor has determined that the removal of section 22(g) restrictions from private lands requires the approval of Congress.

H.R. 401 executes an offer to KNA from the Secretary of Interior to resolve land use restrictions by offering to exchange interests in lands. In essence, the substitute provides authority for the Secretary of Interior to convey specified interests in land now held by the federal government, including partial subsurface interests underlying lands now held by KNA. In exchange, KNA would convey to the federal government certain land KNA owns within the boundary of the Kenai National Wildlife Refuge. KNA would also relinquish its remaining ANCSA entitlement on lands within the Refuge. The land that KNA receives would be removed from the Refuge and the boundary adjusted accordingly. The rights of other parties with land interests in the area would not be impacted by this legislation.

Specifically, the substitute would allow the FWS to acquire three small parcels of land and KNA's remaining ANCSA entitlement at appraised value: Stephanka Tract (803 acres) on the Kenai River; Moose River Patented Tract (1,243 acres); Moose River Selected Tract (753 acres); and 454 acres of remaining entitlement. A payment of \$4,443,000 for the total habitat acquisition of 2,253 acres will be made from the Exxon Valdez Oil Spill trust fund, as the lands involved were part of the region affected by the 1989 oil spill and include important habitat for fish and wildlife harmed by the spill. KNA shall receive a cash payment solely from the Exxon Valdez trust fund, which has already been approved by the Exxon Valdez Oil Spill Trustee Council for this acquisition. Therefore, no federal appropriation will be required.

In return, KNA will also gain title to approximately 13,642 acres of subsurface estate (less coal, oil and gas) under those lands which were previously held by the United States, and use of sand and gravel on another 1,738.04 acres in the Swanson River Road East parcel. Furthermore, the Kenai National Wildlife Refuge boundary would be adjusted to remove 15,500 acres of existing KNA lands from the Refuge, thus resolving the ANCSA section 22(g) conflict.

Under H.R. 401, KNA shareholders would retain the right to visit an historic village site located on the Kenai River properties

which would be conveyed to the United States. KNA would also receive title to the old Kenai National Wildlife Refuge headquarters site in downtown Kenai which consists of a building and a five-acre parcel. KNA intends to use this site for economic development purposes.

Finally, to maintain equivalent natural resources protection for federal resources, FWS has proposed that Congress designate the Lake Totatonten area (approximately 37,000 acres) as a Special Management Area (SMA) to be withdrawn from mineral entry. Lake Totatonten is adjacent to the Kanuti National Wildlife Refuge which is located in north-central Alaska. The SMA will be managed by the Bureau of Land Management. The SMA contains significant habitat for subsistence resources, waterfowl and migratory birds. H.R. 401 designates this SMA and clarifies that the SMA would be subject to subsistence preferences under Title VIII of the Alaska National Interest Lands Conservation Act (ANILCA) and valid existing rights. H.R. 401 also guarantees public access to the SMA and gives residents of surrounding villages the ability to participate in decisions relative to management of the SMA.

COMMITTEE ACTION

H.R. 401 was introduced on January 4, 1995, by Congressman Don Young (R-AK), Chairman of the Committee on Resources. The bill was referred to the Committee on Resources. On June 11, 1996, the Committee held a hearing on H.R. 401 where representatives of KNA and the Administration testified in support of the bill with amendments. On June 19, 1996, the Full Resources Committee met to consider H.R. 401. An amendment in the nature of a substitute was offered by Congressman Young and was adopted by voice vote. The bill as amended was then ordered favorably reported to the House of Representatives.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

The short title of the bill is the "Kenai Natives Association Equity Act of 1995".

Section 2. Findings and purpose

This section sets forth the findings and purposes of the legislation.

Section 3. Definitions

This section provides definitions for the purposes of this Act.

Section 4. Acquisition of lands

This section sets forth the terms of the land exchange and acquisition between the federal government and the Kenai Natives Association (KNA). The section identifies lands within the boundaries of the Kenai National Wildlife Refuge to be conveyed to the United States by KNA as well as those lands to be conveyed by the United States to KNA.

This section provides for the payment of Exxon Valdez Oil Spill Trustee Council settlement funds for KNA lands described in this

section. This section also nominates the Stephanka Tract to the National Register of Historic Places, in recognition of the archeological artifacts from the original Kenaitze Indian settlement.

Subsection (c)(1)(A) removes from the Kenai National Wildlife Refuge all lands retained by or conveyed to KNA under the legislation, as well as the subsurface interests held by the relevant regional corporation, Cook Inlet Region, Inc. (CIRI). In addition, the subsection requires a boundary adjustment to reflect removal of these interests from the Refuge. The interests conveyed to or retained by KNA, and those held by CIRI, are to be held free of any conveyance restriction imposed by section 22(g) of ANCSA and shall neither be considered a part of the Refuge nor subject to any laws or regulations pertaining solely to lands within the boundaries of the Refuge.

Subsection (c)(1)(B) also provides an alternative means to specify the manner in which the subsurface interests conveyed to KNA under the legislation shall be managed in relation to the oil, coal and gas interests already held by CIRI in the area. Currently, development of CIRI's interests are governed by paragraph 1(B)(1) of the Terms and Conditions for Land Consolidation and Management in the Cook Inlet Area, which has been consented to by CIRI and authorized by other federal law (Public Law 94-204).

Under section 4(c), the Secretary of the Interior, KNA and CIRI are required to develop and execute an agreement which adequately addresses the management issues associated with the boundary adjustment provided for in the subsection and which preserves CIRI's rights and obligations under the Terms and Conditions. By providing a deadline for the execution of the required agreement, the Committee intends that terms of management of the area be provided under mutual agreement. If the parties fail to reach an agreement within the time required, subparagraph (ii) recognizes that existing rights and responsibilities of CIRI provided under the Terms and Conditions shall remain in effect, despite the conveyances of interest to KNA under the legislation. The Committee notes that the subsection also specifically provides that nothing in the Act is intended to enlarge or diminish the authorities, rights, duties, obligations or other property rights held by CIRI, unless otherwise set forth in the legislation. The Committee intends by this subsection that CIRI's rights and obligations under the Terms and Conditions with respect to development of oil, coal and gas interests CIRI now holds remain unchanged, other than the boundary adjustment and the conveyances of interests to KNA.

Subsection (c)(1)(C) provides authority to the Secretary to reacquire lands and interests retained by or conveyed to KNA on a willing seller basis only. The subsection makes it clear that any reacquired interests will automatically be included back into the Refuge system, and all pertinent laws and regulations pertaining to Refuge lands would be reapplied. If any surface estate is required, then the subsurface interests below such surface, regardless of whether owned by KNA or CIRI, would also return to the Refuge system. The boundaries of the Refuge would be readjusted to include any such reacquired lands.

Subsection (c)(1)(E) clarifies that CIRI is entitled to 1,207 of in-lieu subsurface entitlement, in accordance with section 12(a)(1) of ANCSA and paragraph (B)(2)(A) of the Terms and Conditions.

Finally, section 4 further provides KNA the ability to take the final agreement to a vote of its shareholders and report to the Secretary within 180 days.

Section 5. Adjustments to the National Wilderness System

This section provides for that portion of the Stephanka Tract lying south and west of the Kenai River (approximately 592 acres) acquired by the United States to be included in and managed as part of the Kenai Wilderness.

Section 6. Designation of Lake Totatonten Special Management Area

This section establishes the Lake Totatonten Special Management Area (SMA) consisting of approximately 37,000 acres adjacent to the western boundary of the Kanuti National Wildlife Refuge. This section also provides that the SMA is to be managed by the Bureau of Land Management (BLM) and that the SMA is subject to all valid existing rights and subsistence preferences provided under title VIII of ANILCA. Furthermore, any lands conveyed to the State of Alaska shall be removed from the SMA.

This section further directs the BLM to establish a Lake Totatonten Special Management Area Committee made up of residents of surrounding villages and other interested parties. The residents will be consulted on all management decisions. Public access to and across the SMA is granted and section 1110(a) of ANILCA shall apply to the SMA.

Finally, this section authorizes such sums as may be necessary to carry out the purposes of this Act.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

With respect to the requirements of clause 2(1)(3) of rule XI of the Rules of the House of Representatives, and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Committee on Resources' oversight findings and recommendations are reflected in the body of this report.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(1)(4) of rule XI of the Rules of the House of Representatives, the Committee estimates that the enactment of H.R. 401 will have no significant inflationary impact on prices and costs in the operation of the national economy.

COST OF THE LEGISLATION

Clause 7(a) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out H.R. 401. However, clause 7(d) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the

Congressional Budget Office under section 403 of the Congressional Budget Act of 1974.

COMPLIANCE WITH HOUSE RULE XI

1. With respect to the requirement of clause 2(1)(3)(B) of rule XI of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, H.R. 401 does not contain any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures.

2. With respect to the requirement of clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives, the Committee has received no report of oversight findings and recommendations from the Committee on Government Reform and Oversight on the subject of H.R. 401.

3. With respect to the requirement of clause 2(1)(3)(C) of rule XI of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 401 from the Director of the Congressional Budget Office.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 17, 1996.

Hon. DON YOUNG,
*Chairman, Committee on Resources,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed H.R. 401, the Kenai Natives Association Equity Act Amendments of 1996, as ordered reported by the House Committee on Resources on June 19, 1996. Enacting H.R. 401 would not affect direct spending or receipts. Therefore, pay-as-you-go procedures would not apply to the bill. H.R. 401 contains no private-sector or inter-governmental mandates as defined in Public Law 104-4 and would impose no costs on state, local or tribal governments.

Bill purpose

H.R. 401 would authorize the Secretary of the Interior to complete an agreement between the Kenai Natives Association (KNA) and the United States Fish and Wildlife Service (USFWS) for the acquisition of KNA property located within the Kenai National Wildlife Refuge in Alaska. Under section 4 of the bill, the federal government would pay KNA \$4.443 million for 3,253 acres of land within the refuge boundaries. This provision would direct the federal government to make the \$4.443 million payment from amounts allocated to the USFWS from the Exxon Valdez oil spill joint trust fund, contingent on the approval of the trustees. Other lands and property interests, including access easements, would be acquired in exchange for specified land, subsurface estates or other property interests (such as the nonexclusive right to use sand and gravel located on certain federal property).

Section 4 also would remove from the National Wildlife Refuge System all lands retained by or conveyed to KNA, as well as cer-

tain subsurface interests underlying such lands. The bill would direct the Secretary of the Interior to adjust the boundaries of the Kenai National Wildlife Refuge to reflect these changes. Section 5 of the bill provides that about 492 acres of the land to be acquired by the U.S. be managed as part of the Kenai Wilderness. In addition, the bill would direct the Secretary to nominate an area known as the Stephanka Tract to the National Register of Historic Places. If the Department of the Interior (DOI) establishes an historical, cultural, or archaeological interpretive site on that tract, KNA would have the exclusive right to operate it. Section 6 would direct the Secretary of the Interior to designate about 37,000 acres of public land adjacent to the Kanuti National Wildlife Refuge in Alaska as the Lake Todatonten Special Management Area and to withdraw it from location, entry, and patent under the mining laws.

Federal budgetary impact

Based on information provided by the USFWS and DOI, CBO expects that the \$4.443 million payment to KNA for purchase of its holdings in the Kenai National Wildlife Refuge will be made even in the absence of this legislation. Therefore, this provision would have no impact on the federal budget. We estimate that the costs of implementing other provisions of sections 4 and 5, including upfront expenditures related to the land exchange and the refuge boundary adjustment, as well as ongoing costs to manage the new federal property, would have no significant impact on the affected agencies' operating expenses.

Based on information from Bureau of Land Management (BLM), we estimate that section 6 would not affect the agency's discretionary spending since that agency already manages the Lake Todatonten area in a manner consistent with the Special Management Area designation. BLM expects no mineral activity to occur on the land in any case; therefore, withdrawing the land from mineral entry would not change spending or receipts.

Impact on State, local, and tribal government

The land exchange authorized by this bill would be voluntary on the part of the Kenai Natives Association. Should the association agree to the exchange, it would receive a cash payment of \$4.443 million in addition to the lands and rights specified in the bill. Upon completion of the exchange, the lands retained by or conveyed to the KNA would be removed from the Kenai National Wildlife Refuge, so the KNA would be able to develop those lands.

If you wish further details on this estimate, we will be pleased to provide them. The staff contacts are Deborah Reis and Victoria Heid (for federal costs), and Marjorie Miller (for the state, local, and tribal impact).

Sincerely,

JAMES L. BLUM
(For June E. O'Neill, Director).

COMPLIANCE WITH PUBLIC LAW 104-4

H.R. 401 contains no unfunded mandates.

CHANGES IN EXISTING LAW

If enacted, H.R. 401 would make no changes in existing law.

