

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 2567

To provide for equitable compensation of the Spokane Tribe of Indians of the Spokane Reservation in settlement of claims of the Tribe concerning the contribution of the Tribe to the production of hydropower by the Grand Coulee Dam, and for other purposes.

---

## IN THE SENATE OF THE UNITED STATES

MAY 23, 2002

Mrs. MURRAY (for herself, Ms. CANTWELL, and Mr. INOUE) introduced the following bill; which was read twice and referred to the Committee on Indian Affairs

---

## A BILL

To provide for equitable compensation of the Spokane Tribe of Indians of the Spokane Reservation in settlement of claims of the Tribe concerning the contribution of the Tribe to the production of hydropower by the Grand Coulee Dam, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Spokane Tribe of Indi-  
5       ans of the Spokane Reservation Grand Coulee Dam Equi-  
6       table Compensation Settlement Act”.

1 **SEC. 2. FINDINGS.**

2 Congress finds that—

3 (1) from 1927 to 1931, at the direction of Con-  
4 gress, the Corps of Engineers investigated the Co-  
5 lumbia River and its tributaries to determine sites at  
6 which power could be produced at low cost;

7 (2) the Corps of Engineers—

8 (A) identified a number of sites, including  
9 the site at which the Grand Coulee Dam is lo-  
10 cated; and

11 (B) recommended that power development  
12 at those sites be performed by local govern-  
13 mental authorities or private utilities under the  
14 Federal Power Act (16 U.S.C. 791a et seq.);

15 (3) under section 10(e) of that Act (16 U.S.C.  
16 803(e)), a licensee is required to compensate an In-  
17 dian tribe for the use of land under the jurisdiction  
18 of the Indian tribe;

19 (4) in August 1933, the Columbia Basin Com-  
20 mission, an agency of the State of Washington, re-  
21 ceived a preliminary permit from the Federal Power  
22 Commission for water power development at the  
23 Grand Coulee site;

24 (5) in the mid-1930's, the Federal Government,  
25 which is not subject to the Federal Power Act (16  
26 U.S.C. 791a et seq.)—

1 (A) federalized the Grand Coulee Dam  
2 project; and

3 (B) began construction of the Grand Cou-  
4 lee Dam;

5 (6) at the time at which the Grand Coulee Dam  
6 project was federalized, the Federal Government rec-  
7 ognized that the Spokane Tribe and the Confed-  
8 erated Tribes of the Colville Reservation had com-  
9 pensable interests in the Grand Coulee Dam project,  
10 including compensation for—

11 (A) the development of hydropower;

12 (B) the extinguishment of a salmon fishery  
13 on which the Spokane Tribe was almost com-  
14 pletely financially dependent; and

15 (C) the inundation of land with loss of po-  
16 tential power sites previously identified by the  
17 Spokane Tribe;

18 (7) in the Act of June 29, 1940, Congress—

19 (A) in the first section (16 U.S.C. 835d)  
20 granted to the United States—

21 (i) all rights of Indian tribes in land  
22 of the Spokane Tribe and Colville Indian  
23 Reservations that were required for the  
24 Grand Coulee Dam project; and

1 (ii) various rights-of-way over other  
2 land under the jurisdiction of Indian tribes  
3 that were required in connection with the  
4 project; and

5 (B) in section 2 (16 U.S.C. 835e) provided  
6 that compensation for the land and rights-of-  
7 way was to be determined by the Secretary of  
8 the Interior in such amounts as the Secretary  
9 determined to be just and equitable;

10 (8) in furtherance of that Act, the Secretary of  
11 the Interior paid—

12 (A) to the Spokane Tribe, \$4,700; and

13 (B) to the Confederated Tribes of the  
14 Colville Reservation, \$63,000;

15 (9) in 1994, following 43 years of litigation be-  
16 fore the Indian Claims Commission, the United  
17 States Court of Federal Claims, and the United  
18 States Court of Appeals for the Federal Circuit,  
19 Congress ratified an agreement between the Confed-  
20 erated Tribes of the Colville Reservation and the  
21 United States that provided for damages and annual  
22 payments of \$15,250,000 in perpetuity, adjusted an-  
23 nually, based on revenues from the sale of electric  
24 power from the Grand Coulee Dam project and

1 transmission of that power by the Bonneville Power  
2 Administration;

3 (10) in legal opinions issued by the Office of  
4 the Solicitor of the Department of the Interior, a  
5 Task Force Study conducted from 1976 to 1980 or-  
6 dered by the Committee on Appropriations of the  
7 Senate, and hearings before Congress at the time at  
8 which the Confederated Tribes of the Colville Res-  
9 ervation Grand Coulee Dam Settlement Act (Public  
10 Law 103-436; 108 Stat. 4577) was enacted, it has  
11 repeatedly been recognized that—

12 (A) the Spokane Tribe suffered damages  
13 similar to those suffered by, and had a case le-  
14 gally comparable to that of, the Confederated  
15 Tribes of the Colville Reservation; but

16 (B) the 5-year statute of limitations under  
17 the Act of August 13, 1946 (25 U.S.C. 70 et  
18 seq.) precluded the Spokane Tribe from bring-  
19 ing a civil action for damages under that Act;

20 (11) the inability of the Spokane Tribe to bring  
21 a civil action before the Indian Claims Commission  
22 can be attributed to a combination of factors,  
23 including—

1 (A) the failure of the Bureau of Indian Af-  
2 fairs to carry out its advisory responsibilities in  
3 accordance with that Act; and

4 (B) an attempt by the Commissioner of In-  
5 dian Affairs to impose improper requirements  
6 on claims attorneys retained by Indian tribes,  
7 which caused delays in retention of counsel and  
8 full investigation of the potential claims of the  
9 Spokane Tribe;

10 (12) as a consequence of construction of the  
11 Grand Coulee Dam project, the Spokane Tribe—

12 (A) has suffered the loss of—

13 (i) the salmon fishery on which the  
14 Spokane Tribe was dependent;

15 (ii) identified hydropower sites that  
16 the Spokane Tribe could have developed;  
17 and

18 (iii) hydropower revenues that the  
19 Spokane Tribe would have received under  
20 the Federal Power Act (16 U.S.C. 791a et  
21 seq.) had the project not been federalized;  
22 and

23 (B) continues to lose hydropower revenues  
24 that the Federal Government recognized were

1           owed to the Spokane Tribe at the time at which  
2           the project was constructed; and  
3           (13) more than 39 percent of the land owned  
4           by Indian tribes or members of Indian tribes that  
5           was used for the Grand Coulee Dam project was  
6           land of the Spokane Tribe.

7 **SEC. 3. STATEMENT OF PURPOSE.**

8           The purpose of this Act is to provide fair and equi-  
9           table compensation to the Spokane Tribe, using the same  
10          proportional basis as was used in providing compensation  
11          to the Confederated Tribes of the Colville Reservation, for  
12          the losses suffered as a result of the construction and op-  
13          eration of the Grand Coulee Dam project.

14 **SEC. 4. DEFINITIONS.**

15          In this Act:

16               (1) ADMINISTRATOR.—The term “Adminis-  
17               trator” means the Administrator of the Bonneville  
18               Power Administration.

19               (2) CONFEDERATED TRIBES ACT.—The term  
20               “Confederated Tribes Act” means the Confederated  
21               Tribes of the Colville Reservation Grand Coulee  
22               Dam Settlement Act (Public Law 103–436; 108  
23               Stat. 4577).

1           (3) FUND ACCOUNT.—The term “Fund Ac-  
2           count” means the Spokane Tribe of Indians Settle-  
3           ment Fund Account established under section 5(a).

4           (4) SPOKANE TRIBE.—The term “Spokane  
5           Tribe” means the Spokane Tribe of Indians of the  
6           Spokane Reservation, Washington.

7 **SEC. 5. SETTLEMENT FUND ACCOUNT.**

8           (a) ESTABLISHMENT OF ACCOUNT.—There is estab-  
9           lished in the Treasury an interest bearing account to be  
10          known as the “Spokane Tribe of Indians Settlement Fund  
11          Account”.

12          (b) DEPOSIT OF AMOUNTS.—

13               (1) INITIAL DEPOSIT.—On the date on which  
14               funds are made available to carry out this Act, the  
15               Secretary of the Treasury shall deposit in the Fund  
16               Account, as payment and satisfaction of the claim of  
17               the Spokane Tribe for use of land of the Spokane  
18               Tribe for generation of hydropower for the period  
19               beginning on June 29, 1940, and ending on Novem-  
20               ber 2, 1994, an amount that is equal to 39.4 percent  
21               of the amount paid to the Confederated Tribes of  
22               the Colville Reservation under section 5(a) of the  
23               Confederated Tribes Act, adjusted to reflect the  
24               change, during the period beginning on the date on  
25               which the payment described in subparagraph (A)



1 was made to the Confederated Tribes of the Colville  
2 Reservation and ending on the date of enactment of  
3 this Act, in the Consumer Price Index for all urban  
4 consumers published by the Department of Labor.

5 (2) SUBSEQUENT DEPOSITS.—On September  
6 30 of the first fiscal year that begins after the date  
7 of enactment of this Act, and on September 30 of  
8 each of the 5 fiscal years thereafter, the Adminis-  
9 trator of the Bonneville Power Administration shall  
10 deposit in the Fund Account an amount that is  
11 equal to 7.88 percent of the amount authorized to  
12 be paid to the Confederated Tribes of the Colville  
13 Reservation under section 5(b) of the Confederated  
14 Tribes Act through the end of the fiscal year during  
15 which this Act is enacted, adjusted to reflect the  
16 change, during the period beginning on the date on  
17 which the payment to the Confederated Tribes of the  
18 Colville Reservation was first made and ending on  
19 the date of enactment of this Act, in the Consumer  
20 Price Index for all urban consumers published by  
21 the Department of Labor.

22 (c) ANNUAL PAYMENTS.—On September 1 of the  
23 first fiscal year after the date of enactment of this Act,  
24 and annually thereafter, the Administrator (or the head  
25 of any successor agency) shall pay to the Spokane Tribe

1 an amount that is equal to 39.4 percent of the annual  
2 payment authorized to be paid to the Confederated Tribes  
3 of the Colville Reservation under section 5(b) of the Con-  
4 federated Tribes Act for the fiscal year.

5 **SEC. 6. USE AND TREATMENT OF SETTLEMENT FUNDS.**

6 (a) TRANSFER OF FUNDS TO SPOKANE TRIBE.—

7 (1) INITIAL TRANSFER.—Not later than 60  
8 days after the date on which the Secretary of the  
9 Treasury receives from the Spokane Business Coun-  
10 cil written notice of the adoption by the Spokane  
11 Business Council of a resolution requesting that the  
12 Secretary of the Treasury execute the transfer of  
13 settlement funds described in section 5(a), the Sec-  
14 retary of the Treasury shall transfer all or a portion  
15 of the settlement funds, as appropriate, to the Spo-  
16 kane Business Council.

17 (2) SUBSEQUENT TRANSFERS.—If not all funds  
18 described in section 5(a) are transferred to the Spo-  
19 kane Business Council under an initial transfer re-  
20 quest described in paragraph (1), the Spokane Busi-  
21 ness Council may make subsequent requests for, and  
22 the Secretary of the Treasury may execute subse-  
23 quent transfers of, those funds.

1 (b) USE OF INITIAL PAYMENT FUNDS.—Of the set-  
2 tlement funds described in subsections (a) and (b) of sec-  
3 tion 5—

4 (1) 25 percent shall be—

5 (A) reserved by the Spokane Business  
6 Council; and

7 (B) used for discretionary purposes of gen-  
8 eral benefit to all members of the Spokane  
9 Tribe; and

10 (2) 75 percent shall be used by the Spokane  
11 Business Council to carry out—

12 (A) a resource development program;

13 (B) a credit program;

14 (C) a scholarship program; or

15 (D) a reserve, investment, and economic  
16 development program.

17 (c) USE OF ANNUAL PAYMENT FUNDS.—Annual  
18 payments made to the Spokane Tribe under section 5(c)  
19 may be used or invested by the Spokane Tribe in the same  
20 manner and for the same purposes as other tribal govern-  
21 mental funds.

22 (d) APPROVAL BY SECRETARY.—Notwithstanding  
23 any other provision of law—

24 (1) the approval of the Secretary of the Treas-  
25 ury or the Secretary of the Interior for any payment,

1 distribution, or use of the principal, interest, or in-  
2 come generated by any settlement funds transferred  
3 or paid to the Spokane Tribe under this Act shall  
4 not be required; and

5 (2) the Secretary of the Treasury and the Sec-  
6 retary of the Interior shall have no trust responsi-  
7 bility for the investment, supervision, administration,  
8 or expenditure of those funds after the date on  
9 which the funds are transferred to or paid to the  
10 Spokane Tribe.

11 (e) TREATMENT OF FUNDS FOR CERTAIN PUR-  
12 POSES.—The payments and distributions of any portion  
13 of the principal, interest, and income generated by the set-  
14 tlement funds described in section 5 shall be treated in  
15 the same manner as payments or distributions under sec-  
16 tion 6 of the Saginaw Chippewa Indian Tribe of Michigan  
17 Distribution of Judgment Funds Act (Public Law 99–346;  
18 100 Stat. 677).

19 (f) TRIBAL AUDIT.—After the date on which the set-  
20 tlement funds described in section 5 are transferred or  
21 paid to the Spokane Tribe, the funds—

22 (1) shall be considered to be Spokane Tribe  
23 governmental funds; and

24 (2) shall be subject to an annual tribal govern-  
25 mental audit.

1 **SEC. 7. REPAYMENT CREDIT.**

2 (a) IN GENERAL.—For the first fiscal year that be-  
3 gins after the date of enactment of this Act, and for each  
4 subsequent fiscal year in which annual payments are made  
5 under this Act, the Administrator shall deduct from the  
6 interest payable to the Secretary of the Treasury from net  
7 proceeds (as defined in section 13 of the Federal Columbia  
8 River Transmission System Act (16 U.S.C. 838k)), a per-  
9 centage of the payment made to the Spokane Tribe for  
10 the preceding fiscal year.

11 (b) CALCULATION.—The percentage deducted under  
12 subsection (a) shall be calculated and adjusted to ensure  
13 that the Bonneville Power Administration receives a de-  
14 duction comparable to that which the Bonneville Power  
15 Administration receives for payments made to the Confed-  
16 erated Tribes of the Colville Reservation under to the Con-  
17 federated Tribes Act.

18 (c) CREDITING.—

19 (1) DEDUCTIONS.—

20 (A) IN GENERAL.—Except as provided in  
21 subparagraph (B), each deduction made under  
22 this section shall be—

23 (i) credited to the interest payments  
24 otherwise payable by the Administrator to  
25 the Secretary of the Treasury during the

1 fiscal year in which the deduction is made;  
2 and

3 (ii) allocated pro rata to all interest  
4 payments on debt associated with the gen-  
5 eration function of the Federal Columbia  
6 River Power System that are due during  
7 that fiscal year.

8 (B) EXCEPTION.—If, for any fiscal year,  
9 the amount of a deduction described in sub-  
10 paragraph (A) is greater than the amount of in-  
11 terest due on debt associated with the genera-  
12 tion function for the fiscal year, the amount of  
13 the deduction that exceeds the interest due on  
14 debt associated with the generation function  
15 shall be allocated pro rata to all other interest  
16 payments due during that fiscal year.

17 (2) OTHER PROGRAMS.—To the extent that a  
18 deduction described in paragraph (1) exceeds the  
19 amount of interest described in that paragraph, the  
20 deduction shall be applied as a credit against any  
21 other payments that the Administrator makes to the  
22 Secretary of the Treasury.

23 **SEC. 8. SATISFACTION OF CLAIMS.**

24 Payment by the Administrator under section 5 con-  
25 stitutes full satisfaction of the claim of Spokane Tribe to

1 a fair share of the annual hydropower revenues generated  
2 by the Grand Coulee Dam project from June 29, 1940,  
3 through the fiscal year preceding the fiscal year in which  
4 this Act is enacted.

5 **SEC. 9. AUTHORIZATION OF APPROPRIATIONS.**

6 There are authorized to be appropriated such sums  
7 as are necessary to carry out this Act.

○