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The link between the tribally owned lands and the privately managed timber resources would be a leasing arrangement sufficiently long run to preclude adverse effects on the management and investment decisions of the private timber management corporation. Taxing and regulatory authority of the Tribe would be reflected in the terms of the lease and would be consistent with existing Indian trust, state and local laws.

The advantage of the proposed arrangement is that the Siletz would be ensured that they always would have a reservation land base and the private corporation would ensure that timber resources were managed efficiently. Stockholders would receive maximum benefits and, regardless of stock ownership, employment opportunities provided by an efficiently managed private corporation would be available to Siletz tribal members.

Non-Indian members of the local community and the regional economy also would benefit by virtue of expanded employment opportunities. Tax revenues to state and local governments, including the Siletz Tribe, also would increase.

Several technical issues arise as a result of the above proposal which necessarily would have to be resolved, clarified or specified, in transfer legislation. Among the more important of these would be: (1) the Bureau of Indian Affairs (BIA) would have no trust responsibility for timber management; (2) a procedure for the initial distribution of stock and its subsequent marketing would have to be established; (3) the economic basis for determining the tax liability of the private corporation would have to be determined; (4) the applicability of Public Law 280 would have to be specified; and (5) public access, and hunting and fishing rights, would need to be clarified.

Given the foregoing general concept, a bill would be divided into six subchapters. A brief summary of the nature and scope of each is set forth below.

SUBCHAPTER 1
TRANSFER LANGUAGE

This subchapter will accomplish two purposes. First, it will transfer the land to the Tribe and include a legal description of each parcel. It will provide that the land is transferred in trust to be held by the United States for the benefit of the Confederated Tribes of Siletz Indians of Oregon.

Second, the timber will be transferred, absent any BIA management authority, to a private company, probably organized by the tribal government under the laws of the State of Oregon. The company will be free to operate, under appropriate terms and conditions, as any private company in the state.

SUBCHAPTER 2
ISSUANCE OF STOCK

This subpart will establish the means for public ownership of the company. The legislation must answer how the stock is traded, what voting rights will be attached and how much will be transferred to the tribal government.

SUBCHAPTER 3
TAXATION

Three levels of taxation must be addressed in the legislation. First, federal timber harvests are subject to revenue sharing to be paid either to the state or to the county government. Timber harvest from the land in question here results in a 5% tax paid directly to Lincoln County. The county presently receives approximately $20,000 per year from the tax.

Second, private companies must pay taxes when they sell timber on the difference between the company's basis in the timber and the sale price. Some basis might have to be established for the timber in question in order to determine the tax liability.

Third, private companies pay taxes on the profits they generate. The private company contemplated in this proposal will have the same liabilities.

This subpart will have to recognize the taxing authority of the Siletz Tribe and provide a mechanism for revenue sharing among state and local governments, the federal government and the tribal government.

SUBCHAPTER 4
TRUST RESPONSIBILITY

The Bureau of Indian Affairs will have to be relieved of any responsibility for the management of the timber resource. The objective will be to eliminate management restrictions imposed by the Bureau of Indian Affairs, which reduce the value of the resource. Because the United States will hold the land in trust, however, this section must set forth precisely what the Bureau's responsiblities will be.

SUBCHAPTER 5
INDIAN PREFERENCE

In order to ensure that the tribal members receive the benefit of the economic opportunity created, the legislation should impose an Indian hiring preference on the private company and free it from any potential "equal protection" liability regarding such preference. An alternative might be to subject the company to the Siletz Tribe's "TERO." In any event, some mechanism will have to be developed to ensure a fair measure of new jobs go to tribal members.

SUBCHAPTER 6
JURISDICTION & HUNTING & FISHING RIGHTS

This section will provide that the State of Oregon will have civil and criminal jurisdiction over the land under Public Law 280. A similar provision is included in the legislation transferring the original 3600 acres to the Tribe.

This section also will provide that no expansion of hunting and fishing rights will result from the transfer. The special hunting and fishing rights of the Tribe have been established through a U.S. District Court Consent Decree and an agreement with the State. This arrangement should go unchanged.

In summary, the Tribal Council believes it can develop a proposal which will provide a real opportunity to achieve economic self-sufficiency. The proposal would enhance the entire economy of Lincoln County, increase tax revenues to state and local governments and generally improve the productivity of land for the entire region. Furthermore, it will be accomplished without establishing hunting and fishing rights or raising other controversial issues associated with Indian/non-Indian relations.

OUTLINE OF CONCEPT FOR TRANSFER OF LAND TO SILETZ TRIBE

I. TRANSFER

A. Land: The land will be held by the United States in trust and managed by the Tribal Council and the Bureau of Indian Affairs under appropriate federal laws and regulations.

B. Timber: Ownership of the timber will be transferred to the tribal membership and managed by a private company, organized as a corporation under the laws of Oregon, which will be established initially by the Tribal Council but will be owned by the tribal members. The United States will have no trust responsibility for management policies of this company.

II. STOCK

A. Tribe: The Tribe may purchase a percentage of the outstanding stock but the stock will lose voting rights when purchased by the Tribe. The Tribe may transfer a percentage of its stock to STEDCO which will have voting rights. This right to purchase will allow the Tribe to provide stock ownership for future generations. Upon redistribution of stock not owned by STEDCO to tribal members, it will regain voting rights.

B. Members: One hundred percent of the stock will be transferred to members. All of this stock will have voting rights. The stock will be fully alienable.

III. TAXATION AND INCOME DISTRIBUTION

A. Severance Taxes: The state's 6½% severance tax will be applicable to the harvest of timber on the land. This tax will be paid by the private company. The Tribe can impose its own severance tax up to 50% of the tax liability otherwise due the state. The private company will receive a tax credit for payments to the Tribe.

B. Tax on Profits: The private company will have the same tax liability to the federal and state governments as any other private company. The Tribe will be authorized to impose its own tax on profits and the private company will receive a credit for the taxes imposed. The Tribe cannot increase the tax liability of the company but can take a reasonable share of this tax revenue. What an equitable share of this revenue might be has not yet been determined.

C. Income Taxes: The Tribe can impose an income tax on tribal members employed in activities related to the harvest and sale of timber from the land in question. These individuals will receive a tax credit on their state and federal returns equal to the amount of the tax imposed. Here again, the idea is to give the Tribe tax revenue without increasing the tax liability. An equitable tribal share of income tax revenues has not yet been determined.

D. Other Income: The Tribe also will be authorized to collect a lease fee from the private company for the exclusive right to grow and harvest timber. This amount should be relatively substantial since it will establish the basis from which the private company will determine its profits for tax purposes. The Tribe also will be authorized to impose other taxes associated with tribal sovereignty.

IV. TRUST RESPONSIBILITY

The United States and the Department of the Interior will be relieved of any trust responsibility with regard to the management and sale of timber on the land. They will have the identical trust responsibility regarding the land for all other purposes.

V. OTHER APPLICABLE LAWS

The Tribe will have authority to set the controls for environmental management of the land. Language regarding the applicability of Public Law 280 and non-expansion of hunting and fishing rights also will be included.

Agreement Reached

The Regional Office of Housing and Urban Development recently announced the signing of a joint educational agreement with the Washington Mortgage Bankers Association (WMBA). The agreement calls for the improvement of direct endorsement education for qualified mortgage lenders within Washington and surrounding states.

Direct Endorsement is a program whereby local lenders can underwrite and process home loans for the buyers instead of sending those loans to be underwritten by HUD.

The program for direct endorsement by mortgage lenders was initiated by Secretary of Housing and Urban Development, Samuel R. Pierce, Jr. in 1983. The purpose was to deregulate the administrative function of underwriting and to return that function to the private sector. The goals are to save money for the taxpayers and to streamline and localize the underwriting function for better service to home-buying public.

"We owe a lot of thanks to HUD Secretary Samuel R. Pierce, Jr., for his strong effective leadership in streamlining FHA Housing Programs — particularly the Direct Endorsement Program which has helped thousands to become home-owners in Washington State," stated Lee Lannoye, President of the WMBA. "The training under our agreement with HUD will strengthen our partnership to better serve the public."

Present at the signing of the agreement were William Y. Nishimura, Regional Administrator-Regional Housing Commissioner, HUD Region X; Lee D. Lannoye, WMBA President; Duane Ross, John DeFrees and Louise Scott, members of the WMBA Education Committee who have been working on the joint agreement since October 1986.

Over 80 percent of all FHA home loans are now approved by direct endorsement lenders. The volume of home loans has consequently increased to five times what it was two years ago. This volume could not have been achieved without direct endorsement. The plan has shortened the time needed for processing to approximately 45 days, which is comparable to conventional loan processing. 1.8 billion dollars worth of FHA home loans are expected to be underwritten under the plan this year in the State of Washington, and about three billion dollars in the Pacific Northwest Region.

Indian Art Show Benefit

The artistry and crafts of the Kansas Indian Artists will be featured in this year's "Visions of the Earth" art show sponsored by the Native American Rights Fund. This year's all-Indian art show will be held May 8-10, 1987 at NARF's headquarters located at 1506 Broadway in Boulder, Colorado.

Eager that their work be accorded the attention earned by their peers in other areas of the country, Indian artists in Kansas have joined forces to put their work before the public. Founded in 1984, the Kansas Indian Artists formed primarily to promote the artwork of profesisonal Indian artists and to provide a greater awareness of Indian art to the people of Kansas. The group has organized shows for the Wichita Indian Museum, Kansas Museum of History, the Historical Society of Kansas and various other arts and crafts exhibits held throughout the state.

The Kansas group will share the spotlight with Woody Crumbo who is of Potawatomie descent and currently resides in Oklahoma. Mr. Crumbo began his career as an artist during his high school years (1929) and is one of the nation's outstanding traditional Indian artists of today.

A special featured attraction in this year's show will be an exhibit of handwoven baskets by the San Juan Southern Paiutes. Farming, sheep and cattle raising, and hunting and basket weaving provide the basis for self-sufficiency for this tribe of Indians. The Native American Rights Fund is currently representing the San Juan Southern Paiutes in a land rights dispute.

Each year since 1980, the Native American Rights Fund has sponsored the "Visions of the Earth" benefit in an effort to present Native American art to the Boulder-Denver community and at the same time raise money to benefit NARF's national Indian legal rights program. The Native American Rights Fund represents tribes and native groups in issues having major impact on the rights of Indian people throughout the United States.

For further information about upcoming "Visions of the Earth" benefit contact Rose Brave, Marilyn Pourier or Rebecca Martinez at (303) 447-8760.