

**TESTIMONY OF GLORIA O'NEILL, EXECUTIVE DIRECTOR  
COOK INLET TRIBAL COUNCIL, INC.**

**BEFORE THE SENATE COMMITTEE ON INDIAN AFFAIRS**

## **S. 401**

### **THE NATIVE AMERICAN BUSINESS DEVELOPMENT, TRADE PROMOTION, AND TOURISM ACT OF 1999**

Mr. Chairman and Members of the Committee:

My name is Gloria O'Neill. I am the Executive Director of Cook Inlet Tribal Council, Inc. (CITC) a non-profit corporation established by Cook Inlet Region, Inc. (CIRI), based in Anchorage, Alaska.

CIRI is an Alaska Native Corporation that is owned by 6,900 Alaska Native shareholders. CIRI is one of the 12 Alaska based regional corporations established by Congress under the Alaska Native Claims Settlement Act of 1971 (ANSCA), which established for-profit corporations owned by Alaska Natives, was a purposeful alternative to the reservation system of the lower 48 states. Ownership of these corporations has given Alaska Natives real economic self-determination.

CIRI is one of the most successful corporations under ANCSA. CIRI, and other Native corporations have prospered because they were left to succeed on their own -- without the interference of the BIA. Not all the regional corporations were instant success stories, but even the ones that originally failed are now profitable.

ANSCA corporations are totally owned by Native shareholders and play a vital role within the Native community, but they also are a critical part of the economic vitality of the state of Alaska. The Regional Corporations are among the largest employers within the state and are a major economic force within the business community. CIRI's principal lines of business includes real estate, construction services and equipment distribution, communications, tourism, natural resources and other investments.

CIRI also acts as the "tribe" for federal Indian program purposes for the southcentral region which includes Anchorage under the Indian Self-Determination Act. To provide services to its many members, or shareholders, CIRI has established a series of non-profit tribal organizations, including Cook Inlet Tribal Council, Southcentral Foundation, and Cook Inlet Housing Authority.

As the Director of Cook Inlet Tribal Council, my program not only serves CIRI's 6,900 shareholders, but our service area serves more than 24,000 Alaska Natives and Native Americans who reside in Anchorage. On CIRI's behalf, CITC provides programs offered by the BIA, the Department of Education, Department of Health and Human Services and the Department of Labor for Alaska Natives and American Indians residing in our service area. CITC provides an integrated approach in service delivery under P.L. 102-477. It has distinguished itself on a national level with development of a streamlined, integrated service delivery system that Lower 48 tribes have begun to emulate. Our services include Welfare to Work/Bridge to Success, a model work search program

providing job readiness training, skills identification, and goal-setting for our clients. In addition CITC's multitude of services include, education, residential alcohol treatment, and child welfare services.

Today, I am here to testify in favor of S. 401, the Alaska Native Business Development, Trade Promotion and Tourism Act of 1999." This Bill would assist Native American groups throughout the United States to become successful and self-sufficient through a variety of means, all of which involve business development on their lands. In Alaska, we are very familiar with the need for successful business ventures because the Alaska Native Claims Settlement Act established Alaska Native profit-making Regional and Village Corporations which have had to survive in the competitive world of business since their inception.

My corporation, CIRC has developed a varied and extensive portfolio of business holdings and has achieved a substantial measure of success in its economic development activities. CIRC's investments in businesses such as television and radio, broadcasting, wireless telephone service, heavy equipment distribution, tourism, real estate, and construction services are the type of successes that seldom are heard from Native Americans. The passage of S. 401 would help make the CIRC story more of a possibility for other Native Americans.

CIRC has gained presence in several significant telecommunications businesses. During the late 1980's and 1990's, CIRC was the largest minority owned broadcaster in the United States. We made significant investments in both radio and TV properties. Those investments were facilitated by the use of tax certificates that allowed sellers to delay federal taxes on their sale proceeds. Our status as an Alaska Native owned enterprise formed the basis for our eligibility for the tax certificate program. The repeal of the tax certificate program has left a large void for Native Americans who are interested in radio and TV investments, and it is essential that the FCC be encouraged to develop a suitable alternative to the tax certificate.

CIRC has also been very involved in emerging technologies in wireless telephones. We have successfully bid in two FCC auctions for wireless spectrum. The most recent auction was concluded last week where we were the largest purchaser at the auction. We see wireless telephones as a significant new business for CIRC, and we have a large development project ahead of us as we build out our new systems. We believe that the FCC and the Small Business Administration should be applauded for their continuing commitment to Native Americans and small business in emerging telecommunications technology.

CIRC has recently moved into the area of tourism and is operating several tourism-based ventures. **To the extent that one focus of S. 401 is on the development of tourism, we strongly urge the inclusion of Alaska as a fifth area where a demonstration project will be carried out.** Alaska's tourism industry has grown substantially in the last decade, and continues to grow. Although much of Alaska's

tourism industry revolves around the major cruise liners, the number of independent and younger travelers to Alaska continues to grow substantially. These independent travelers tend to prefer more active or “soft-adventure” activities over the traditional cruise experience. CIRI began development of its tourism division in 1997 and now offers day cruises in Resurrection Bay and the Kenai Fjords National Park, and in Prince William Sound. Last year CIRI also began construction of a 98-room lodge, scheduled to open next month, on 35 acres it owns overlooking Mt. McKinley in Talkeetna, Alaska.

A CIRI non-profit affiliate Southcentral Foundation, through a compact with the Indian Health Service (IHS) provides all the ambulatory health care services on CIRI's behalf for its shareholders and others who are eligible for IHS services and who reside in our service area. Among the many programs it operates, Southcentral Foundation also operates a Headstart program, and an innovative residential substance abuse and mental health treatment center.

Cook Inlet Housing Authority provides housing services under Native American Housing and Self-Determination Act (NAHASDA). This includes providing a range of housing opportunities for low-income Alaska Natives residing within our service Area. It also provides an elderly housing program, dwelling modernization programs, emergency housing assistance for families, and related programs.

The CIRI family of non-profits, mentioned above, has joined together, sometimes with the aid of CIRI, to leverage their resources and to create added income for their programs and beneficiaries. For example, after CIRI provided the funding to build the Anchorage Native Primary Care Center (ANPCC) for Southcentral Foundation across the street from the new Alaska Native Medical Center, Southcentral Foundation and CITC joined together to establish the "Coho Cup," a coffee shop within the facility. This is being operated in collaboration with a local coffee company and Southcentral Foundation. Through it and CITC's job training and employment program, Welfare-to-Work participants are trained in operating a small business and dealing with customers. They are also learning financial management and all aspects of the business world. As a result, within 6 months they are prepared to find new jobs and become economically self-sufficient. In addition, the Coho Cup provides a beverage service for staff and visitors at the ANPCC, which service is vital to the thousands of people utilizing the facility each month. This project has utilized the resources of the private marketplace and the technical expertise of local businesses to become established and successful. In doing so, it has allowed the Alaska Natives participants to become self-supporting and independent of the welfare system.

In another successful example of partnering, CITC is assisting CIRI's other non-profit tribal organizations by providing accounting and computer services to each non-profit. This, too, could be used as an example for programs elsewhere under S. 401. This eliminates the duplication of administrative costs and allows for cost savings so that funds can be used to enhance services to our beneficiaries rather than to expand overhead costs for each program. Services such as those we provide region-wide, could be provided by other programs or tribes under Section 4 (b)(2) of the Bill.

Another project closely related to tourism and educational resources contemplated under S. 401 is the Alaska Native Heritage Center which is nearly completed and will be a major cultural and educational institution in Anchorage. CIRI has provided this project with significant financial and management support through its development phase. This project should, when completed, attract visitors to learn about the Alaska Native cultures and provide educational opportunities for Alaska Natives and non-Natives alike. Financial assistance through S. 401 for marketing, development of additional cultural materials and activities, and similar projects would be extremely valuable to the Alaska Native Heritage Center in its early operational phases.

The passage of S. 401 will provide more opportunities in Alaska for tribes, Regional Corporations, and Villages in the continually expanding tourism industry, as well as in many other areas of business.

## **CONCLUSION**

As Director of CITC I would like to state, not only do we support S. 401, we enthusiastically endorse it -- the program as outlined in S. 401 is one of fairness and will allow Native American Business to be equally treated under economic programs promoted by the Department of Commerce.

One of the main missions of the Department of Commerce is to further economic and investment opportunities for American business. Native American Business should have a place at the Department's table with all the other American corporations.

No singular group owns more land or controls more natural resources than Native Americans. The majority of oil, gas, coal, and hard rock minerals are located on Native lands. Yet no group within the Department of Commerce is less represented. The Department has missed an important opportunity and American business is missing a major opportunity by not recognizing the potential of embracing Native Americans.

As we go forward into the millennium I urge the members of this committee to work to assure that Native American businesses receive the same support, financial assistance, and opportunities given to other American businesses. S. 401 is the first step in accomplishing this goal.

I appreciate the opportunity to be here today to voice our support of S. 401. We respectfully submit proposed technical changes to the bill, which I have attached to my full statement, to make it responsive to the needs of Alaska Natives and to fund it sufficiently so that it will be an effective tool for economic self-sufficiency for American Indians and Alaska Natives.

Thank you for allowing me to appear before you today and for your thoughtful

consideration of the changes to S. 401 which we have proposed.

**RECOMMENDATIONS REGARDING CHANGES to S. 401:**

We respectfully recommend that the following changes be made to the legislation prior to its enactment in order to make it more responsive to needs in Alaska and throughout Indian Country:

**1. Add an authorization for Appropriations:**

If there is not a particular amount estimated to cover the costs for each section, add the phrase:

There is authorized to be appropriated such funds as may be necessary to carry out the purposes of this Act.

**2. In order to allow the full participation of Alaska Natives in the benefits of this bill, two of the definitions should be revised. They are the following:**

- (1) The definition of "Eligible Entity" at Section 3 (3) should be revised to read:

The term "eligible entity" means an Indian tribe or tribal organization as those terms are defined in the Indian Self-Determination and Education Assistance Act, as amended, 25 U.S. 450b, or an Indian Arts and craft organization, tribal enterprise, tribal marketing cooperative, or Indian-owned business.

- (2) The definition of Indian lands at Section 3 (9) should be revised to read:

The term "Indian lands" has the meaning given that term in section 4(4) of the Indian Gaming Regulatory Act (25 U.S.C. 2703(4)) and shall also include any lands held by an Alaska Native Village or Regional Corporation or Village Corporation.

**3.** Although we strongly believe that the most appropriate place for establishment of the Office of Native American Business Development is in the Department of Commerce, there are already quite a number of programs within the DOI and within the Small Business Administration which could be used to finance some of the activities herein. We would recommend that provisions be added to facilitate a very close working relationship between these departments since each has valuable information and resources for use in implementation of this bill.

**4.** As part of Section 6 of the S. 401, add Alaska as a fifth location in which a demonstration project should be located.

(E) for the Alaska Natives/American Indians in Alaska;

**5.** Provide sufficient funding for manpower development and infrastructure development so that the programs envisioned by this bill can be successful.