

THE HARVARD PROJECT ON American Indian Economic Development

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Yukaana Development Corporation Louden Tribal Council (Galena, Alaska)

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The Louden Tribal Council created the Yukaana Development Corporation (YDC) in 1997 to address the concerns of environmental degradation and environmental justice, and to improve Yukaana citizens' training and employment opportunities. The first tribally owned corporation in the State of Alaska, YDC led a successful effort to clean the contamination caused by a local military base, and has provided training and employment opportunities to over 100 tribal and community members in this rural region.

The traditional homeland of the Louden Tribe is in the interior region of Alaska, near the hub village of Galena, which lies 270 air miles west of Fairbanks. Most of the Tribe's 575 members live in or near Galena, and like many other Alaska Natives, they rely upon subsistence fishing, hunting and gathering. These activities occur primarily within the three national wildlife refuges surrounding Galena.

Galena is also home to the United States Air Force Galena Air Station, which was established in 1940 as part of the military's Aircraft Lend Lease Program. While the relationship between the Louden Tribe and the Air Force has been largely positive from a government-to-government standpoint, the build up and operations of the Galena Air Force Station have severely damaged the environment. Throughout the base's active lifespan, the Air Force has dumped 55-gallon drums that were used to transport petroleum products on adjoining tribal and tribal subsistence land. Periodic flooding of the Yukon River has scattered tens of thousands of these drums in the wetlands downriver from Galena. For example, in 1945, a major flood deposited an estimated 250,000 drums in sloughs behind the village, along stream banks and throughout adjoining wooded areas. Clearly, the drums have caused surface pollution – they remain highly visible from the air. Worse, petroleum contaminants have seeped out of the drums and into the underlying watershed. Millions of gallons of fuel float atop the village's aquifer.

Unfortunately, until the early 1990s, there was little the Louden Tribe could do. Like many other rural Alaska villages, the Tribe historically has faced high rates of unemployment, has been allowed little control over its limited resources, and has depended heavily on the state and federal governments for transfer payments. Among other deficiencies, the tribal government had insufficient financial and human resources to conduct environmental studies.

In 1992 tribal leaders initiated a series of community planning sessions intended to give the Tribal Council greater strategic direction and, ultimately, to strengthen the Tribe's governmental capacity. Almost immediately, consensus was reached on the Tribe's mission:

"To Govern Ourselves." Moreover, both the community and the tribal government embraced a theme that would guide their actions from then on: "Neel ghul neets niiy," which translates to "We Work Together, We Help Each Other."

In correspondence with this renewed commitment to self-governance and cooperation, tribal members voiced a number of community goals. These included new job opportunities, improved health and well being, and a clean environment. Community members were particularly concerned about environmental contamination in Galena. Despite the military's claim that its presence had not affected human health, community members asserted that the Air Force Station had damaged the health of their homeland and compromised their hunting, fishing and subsistence resources.

In 1994-95, with grant funding, the Tribe undertook a series of studies to assess the environment. An independent environmental engineering firm found significant contamination of heavy metals, pesticides and petroleum-based products, and it recommended that as many as 64 sites receive further environmental assessment. The new data convinced the Tribe that it must take action.

The Tribe considered two options – engage in costly litigation against the U.S. military, or work cooperatively with it to remedy the situation. Consistent with "Neel ghul neets niiy," the Tribe chose the latter, and in 1996 brought together 27 state and federal agencies in a public meeting to demonstrate the Tribe's willingness to cooperate, government-to-government basis, in environmental remediation. Drum removal was the community's top priority.

While the Air Force was committed to the project, the Louden Tribe encountered several practical obstacles. First, tribal and community members were untrained in environmental remediation, making it impossible for them to participate, much less lead an environmental clean up until they obtained proper certification. Second, there were no environmental remediation businesses in or near Galena. Up to this point, contractors from outside the region would come to Galena, bring their own trained employees, do the work and leave. In fact, local hire was only about 20 percent on any contracted project.

To address the first problem, the Tribe decided that it would build its pool of qualified labor by collaborating with the Environmental Protection Agency, the Alaska Department of Environmental Conservation, laborers' and operators' unions and others to train community members. Then the Tribe took the lead in establishing a regional job bank for Galena and five surrounding villages. All six villages joined in the Koyukon Labor Agreement, which stipulates that any company seeking to hire laborers for a project in the region (any project, not just an environmental clean-up project) must first submit a call for local hires.

In 1997, having developed a pool of qualified labor, the Tribe was ready to address the second problem, the lack of a local environmental remediation business. To do so, the Council made a move that was unprecedented in Alaska – it created the Yukaana Development Corporation (YDC) as a for-profit tribal corporation, chartered under State of Alaska Laws. The Louden Tribal Council realized, creatively, that YDC could be both an economic development strategy and a means for addressing its citizens' environmental degradation, environmental justice and self-determination concerns.

To help assure YDC's success, the tribal government has insulated YDC from internal and external (government-to-government) political issues. In particular, it created a sevenmember corporate Board of Directors, whose members operate under conflict of interest rules. The tribal government is then able to concentrate on political concerns (such as its relationship with the USAF), and YDC's Directors are able to focus on economic development, profit generation, training and employment. All dividends from YDC are to be assigned back to the Tribe to expand programs and services for the tribal community's benefit.

The Louden Tribal Council has enjoyed many successes since YDC's incorporation. Indeed, this operation represents many firsts. Not only is YDC the first tribally owned enterprise in Alaska, but it works under the first memorandum of agreement between a tribe and the USAF, and Louden is the first tribe to be approved to provide environmental remediation services to a semi-active military base in Alaska.

As an environmental remediation business, YDC is meeting critical needs. In November 1997, Yukaana employees were able to respond to a large oil spill in a bay 1,200 miles away within 12 hours, an effort that earned the Louden Tribe a citation from the State of Alaska. Shortly thereafter, Arctic Slope Construction, Inc. (ASCI) subcontracted YDC to stage and compact 38,000 barrels (contaminated and uncontaminated) for removal. In 1999, YDC was the major subcontractor on a \$2.7 million project to clean a 10-mile radius surrounding the Galena Air Force Station, and the company successfully removed 12,000 55-gallon drums and 3,200 barrels of tar products from the area. Today, YDC continues to provide environmental remediation and demolition services for the Air Force through its partnerships with the Bethel Native Corporation International and ASCI (the latter has been an ongoing mentor to YDC in the managerial and technical aspects of environmental remediation contracts). While there is much to be done before the Louden Tribe will consider the area environmentally clean, YDC's achievements already have given them great success in self-governance. The Corporation increases the Tribe's control over matters, environmental or otherwise, that concern its people.

YDC has increased training and employment opportunities in a region where such opportunities are highly seasonal and very scarce. Depending on the remediation needs stipulated in its contracts, YDC works with its partners – the laborers' and operators' unions, the EPA and others - to organize workforce training. As a result, more than 120 community members (representing one-fifth of the tribal membership) have received certification in handling hazardous material and, of these, 36 are additionally qualified for asbestos abatement and lead-based paint removal. It is through such collaboration and training that the Corporation has been able to gain the necessary technical expertise to continue to expand its portfolio of services and offer new employment opportunities. Local hire on contracted projects now exceeds 80 percent.

Moreover, while tribal members expressed an interest in remediation from the start, YDC's development and growth have further galvanized the community. Members and nonmembers alike acknowledge the benefits that YDC has brought – a sense of shared pride, renewed commitment to community action, and perhaps most importantly, the notion of "Neel ghul neets niiy."

This initiative is easily replicable among the more than 200 federally recognized tribes in the Alaska. Already, YDC is assisting the Naknek, a village in the Bristol Bay region, to establish a for-profit tribal corporation with 8(a) minority contractor status. Further, there are more than 600 military sites in Alaska (most abandoned, most contaminated) that present significant demand for environmental remediation services. To be sure, the Louden Tribe is already laying the groundwork for replication. They are working with the U.S. Fish and Wildlife Service and Galena City Schools to develop and deliver curriculum to Native students about environmental protection.

The Louden Tribe's creation of Yukaana Development Corporation is an impressive contribution to good governance. The Tribe, in pursuit of self-determination, has created a self-sustaining and growing for-profit institution that offers employment opportunities in a region where such opportunities are scarce. It has taken positive steps towards achieving a healthier eco-system by dramatically reducing the contamination that has long plagued its traditional hunting and fishing areas. And importantly, it has created an ownership structure in an environment where such structures are difficult to develop. The initiative sets an important example for Indian nations throughout Alaska and the lower-48 states as well.

Lessons:

- In many cases, community goals cannot be met unless a tribe first pursues selfgovernance. An important opportunity for tribes in Alaska may be the formation of tribally owned corporations that meet the specific needs of the community.
- Tribes that seek opportunities to engage in cooperative government-to-government relationships with U.S. agencies and departments can realize long-term benefits across a variety of areas. They may also bolster their ability to exercise their sovereignty.
- Partnerships with nonprofit organizations, governmental agencies and other outside entities can give tribes access to goods and services that they don't possess internally, and assist tribal governments in accomplishing their goals and objectives.

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