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# UDALL SUPPORTS PETITION BY FLATHEAD INDIANS TO COMPEL MONTANA POWER COMPANY TO MAINTAIN PROPER AMORTIZATION RESERVES AT KERR PROJECT

Secretary of the Interior Stewart L. Udall today petitioned the Federal Power Commission for leave to intervene in the pending application by the Confederated Salish and Kootenai Tribes of the Flathead Reservation, Montana, to compel the Montana Power Company to maintain proper amortization reserves at its Kerr Project on the Flathead River in Montana.

Secretary Udall said the Tribes have charged the Company is failing to maintain amortization reserves in the manner required by the Federal Power Act and the license.

The tribes assert they are being prejudiced by this failure since the Company's records do not fully reflect the Tribes' beneficial interest in the project, Secretary Udall said.

He said that as Secretary of the Interior he holds in trust the Tribal lands occupied by the Kerr project and therefore has an interest in assuring the Tribes receive full benefit from their lands.

The petition pointed out that the Secretary of the Interior also has specific statutory duties with respect to possible recapture by the United States of licensed projects, as provided in the Federal Power Act.

Project revenues accounted for as amortization reserves will reduce the licensee's net investment and the amount the United States will have to pay the licensee upon recapture of the project, he said. This will substantially affect the decision the United States must make with respect to each licensed project--whether recapture is in the national interest, Secretary Udall said.

The conclusion reached by the Commission on the Flathead Indian complaint may serve as a precedent in other proceedings in which the United States will be seeking to assert its right of recapture, the petition said.

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