Indian Affairs - Office of Public Affairs

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For Immediate Release: April 30, 1965
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Secretary of the Interior Stewart L. Udall today petitioned the Federal Power Commission seeking to intervene on behalf of the Confederated Salish and Kootenai Tribes of the Flathead Reservation in Montana in their application for increased payments from the Montana Power Company for use of tribal lands at Kerr Dam.

The Secretary is trustee for lands owned by the Confederated Tribes. The Kerr license specifically provides that any change in terms of the license that may affect the Indians' interest shall be subject to his approval.

By intervening, the Secretary proposes to show that the annual charges for the occupancy and use of lands of the Confederated Tribes by the Kerr Project should be substantially increased to reflect the true commercial value of said lands for power development. Amount of the increase was not specified.

The annual charges were originally determined by the Federal Power Commission, with approval of the Secretary of the Interior, when the Kerr license first was issued in 1930. The dam began operating in 1939 with one generating unit. A second generating unit was completed in 1949. Under terms of the license, charges were subject to readjustment 20 years after operation began.

A third generating unit was built in 1954 and the Confederated Tribes then applied to the FPC to readjust the annual charges to reflect the increased power output. After lengthy proceedings before the FPC and in court, the Tribes were awarded an increase based on the third generating unit. The Tribe now is paid $238,375 annually by the power company.

The increases now being sought by the Confederated Tribes would reflect the growth in commercial value of the entire project since 1939.