Indian Affairs - Office of Public Affairs

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Interior Assistant Secretary Ross Swimmer has signed a contract that will allow the Confederated Salish and Kootenai Tribes to manage and operate an electric power system on the Flathead Indian reservation in northwestern Montana The three year contract is effective immediately, though a short personnel phase-in period is necessary. Under the Indian Self-Determination Act, Indian tribes and groups are given the authority to contract the management of federal government services that affect Indian people.

"The policy of this administration is to remove the federal government from activities that could be locally operated," said swimmer, who heads the Bureau of Indian Affairs (BIA). "It is also this Administration's policy to encourage Indian economic self-sufficiency." An October 1985 report prepared jointly by the Bureau of Reclamation and the BIA recommended that management of the Flathead Indian Irrigation's power division be transferred from the federal government to another entity.

Swimmer noted that although the project will shift from federal to local operation, the Secretary of the Interior will retain control over rates and would assure compliance with laws and regulations. He said the tribes prepared an exemplary contract and did a good job working with the community The Mission Mountain Electric Cooperative, a group of non-Indian residents, also had competed for management of the system out of fear that rates would increase and that they would be excluded from decisions pertaining to operations of the system.

Swimmer said those fears are unfounded since the Cooperative would have been forced to pay several million to purchase and maintain the power system. Those costs, according to Swimmer, could have been passed along to consumers.

In addition, the cooperative would have to arrange for use of right of ways and properties, which the tribes currently own. The tribes have included provisions in the contract to establish a utility board and consumers' council to ensure that non-tribal power users have input into the utility's policies and decisions. "We have a broad responsibility to assure that the customers' right to influence the decisions of the utility is considered as it would be with investor-owned or public utilities, which have their own regulatory bodies," Swimmer said. "The tribe has focused heavily on the rights of non-tribal members and has taken measures in its contract proposal to address the issue." Although self-determination contracts can be approved at the area level, Swimmer asked that the BIA headquarters in Washington review the request and work with Congressional representatives to ensure that all parties were being considered.