

**STATEMENT
OF
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BEFORE THE
HOUSE COMMITTEE ON NATURAL RESOURCES
INDIAN, INSULAR, AND ALASKA NATIVE AFFAIRS SUBCOMMITTEE
ON H.R. 5317**

April 26, 2018

Good afternoon Chairman LaMalfa, Ranking Member Gallego, and members of the Subcommittee. Thank you for the opportunity to provide a statement on behalf of the Department of the Interior (Department) on H.R. 5317, a bill “to repeal section 2141 of the Revised Statutes to remove the prohibition on certain alcohol manufacturing on Indian lands.”

Background

The Department is aware that the Confederated Tribes of the Chehalis Reservation seek to venture into a new economic development project that will be 100 percent owned by the Tribe on its Tribal lands. This economic development project consists of the construction and operation of a distillery. The Tribe approached the Bureau of Indian Affairs (BIA) Northwest Regional Office regarding this economic development venture and the BIA identified a potential obstacle to the project: one section of the Trade and Intercourse Act of 1834 prohibited distilleries in Indian country. The ban as amended remains a part of Federal law. Current 25 U.S.C. 251 reads: “Every person who shall, within the Indian Country, set up or continue any distillery for manufacturing ardent spirits, shall be liable to a penalty of one thousand dollars; and the superintendent of Indian Affairs, Indian Agent, or sub-agent within the limits of whose agency any distillery of ardent spirits is set up or continued, shall forthwith destroy and break up the same.”

Other sections of the 1834 law banned the sale and possession of liquor in Indian country, and those provisions also remain in the US Code at 18 U.S.C. Sections 1154, 1155, and 1156. In 1953, Congress enacted what is now codified at 18 U.S.C. Section 1161, waiving the application of those sections where a Tribe has enacted a liquor ordinance compliant with the terms of that section. The legislative history of Section 1161 makes it clear that Congress considered, and rejected, adding the distillery ban to the list of sections that would not apply where a Tribe had a liquor ordinance. The Department agrees that a legislative solution is the best avenue to remedy this situation and supports H.R. 5317.

H.R. 5317

H.R. 5317 would repeal Section 2141 of the Revised Statutes (25 U.S.C. 251). That section of the Code states that “Every person who shall, within the Indian Country, set up or continue any distillery for manufacturing ardent spirits, shall be liable to a penalty of one thousand dollars; and the superintendent of Indian Affairs, Indian Agent, or sub-agent within the limits of whose agency any distillery of ardent spirits is set up or continued, shall forthwith destroy and break up

the same.”

Conclusion

Thank you for the opportunity to appear before you today. I am happy to answer any questions the Subcommittee may have.