



UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON, D.C. 20240

JAN 12 1978

MEMORANDUM

To: Passamaquoddy and Penobscot Negotiation Committee

From: Eliot Cutler, Leo Krulitz and Steven Clay
White House Work Group on Indian Claims in Maine

Re: Settlement Package--Response to January 3, 1978 Proposal

We offer the following changes to your proposal of January 3, 1978:

Items 1 and 2

- (c) We agree with the concept that the State and the large landowners (as a class) should contribute to the settlement if they are to be released from liability. The White House Work Group reserves the right to determine the amount of the contributions, subject to obtaining for the Tribes the relevant total amount of money and land specified below. Footnote 1 to (c) is not acceptable.
- (d) The Work Group will have 60 days after the terms of the alternative settlements are agreed to in which to reach an agreement in principle with the respective parties.
- (g) We agree to try to obtain 300,000 acres of land under alternatives 2 and 4 upon the condition that the land be average quality woodland which has a current market value of approximately \$112.50 per acre as indicated in Note 2 (page 4 of your proposal) rather than \$150 per acre.
- (h) Without accepting or rejecting your analysis, we would agree to the following land and money:



Alternatives	<u>Land</u>	<u>Money</u>	
1	-0-	\$25,000,000	
2	300,000 acres plus best efforts to acquire options to purchase 200,000 acres	\$25,000,000	28.5
3	-0-	\$40,000,000	
4	300,000 acres plus best efforts to acquire options to purchase 200,000 acres	\$40,000,000	43.5

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507,000
1.5*

We agree, also, that to facilitate acquisitions of the land the Federal Government will offer to purchase part or all of the 300,000 acres at book value up to a total cost of \$5,000,000. This cost is not reflected in the dollar numbers above.

We will use our best efforts to acquire the options indicated above. The options would be exercisable by the Tribes at market value at the time exercised. Tribal funds would be used to exercise the options.

As previously indicated the amount of land and money to be obtained from the various parties would be determined by us. We have concluded that it is unrealistic to try to obtain as much as \$22,500,000 from the State of Maine given their limited exposure in obligation on the part of the State to continue to provide services to the Tribes.

We do not believe the comments on page 5 require a response.

Items 3 and 4

We are agreed that the final settlement will not specify a specific dollar amount for services, but will carry a pledge that the Nations will be considered fully federally recognized tribes, will receive all federal services, benefits and entitlements on the same basis as other federally recognized tribes. We will respond to the capital improvement budget item after we have received your list of proposed projects. If option 3 or 4 is implemented, Federal services will be exclusive.

Item 6

Our position on this item remains as setforth in our last proposal to you. We understand that the members of the Nations will be subject to State regulations when hunting, fishing, fowling, trapping and gathering off reservation lands.

Item 7

We will use our best efforts to acquire a deeded right to obtain brown and yellow ash from the lands of the large private defendants.

Item 9

Our position on Item 9 remains as originally setforth in our previous memorandum to you. As we have previously indicated, no assurances can be given with regard to a Presidential Veto. If you approve the alternative terms of settlement as setforth herein, we will vigorously pursue a final solution on those terms.

Other items in our December 16, 1977 Settlement Package Memo not specifically modified by this proposal continue to be requirements of a settlement.