III. EXPANDING NATIVE EMPLOYMENT IN EXISTING JOBS AND PROGRAMS

In this chapter we look at some of the methods private businesses, regional corporations, and governments are using to hire more Natives for existing jobs. We assess how well those efforts are working and how they might be improved.

Private Businesses and Regional Corporations

Red Dog Mine

Background
In 1982, Cominco Ltd. and NANA regional corporation reached an agreement that led to the development of this large zinc mine in northwest Alaska. Under the agreement, Cominco leases the property from NANA, operates the mine, and markets the concentrate. NANA is entitled to 4.5 percent of net profit until Cominco has recovered its capital investment. After that, NANA’s share will increase to 25 percent of net profits and, then by an additional 5 percent annually, up to a ceiling of 50 percent.

According to the human resource manager at Cominco Alaska, the agreement has three purposes: to develop one of the richest zinc deposits in the world; to provide employment; and to protect the subsistence lifestyle of the people in the region.

Employment
According to the Special Resource Supplement: Alaska Economic Report & Alaska Legislative Digest, (6/29/98, No. 11/98), 285 of Red Dog’s 480 employees—or 57 percent—are shareholders of NANA regional corporation. Alaskan residents make up 416 of the 480 employees, or 86 percent. The reports notes that, “Cominco and NANA have a good track record of hiring shareholders so far at Red Dog, but the challenge in pushing the percentage higher is that about half the remaining jobs at the mine require college degrees. The two companies have formed a scholarship committee aimed at getting young shareholders from the region on an academic track that would allow them to get the higher-skilled professional jobs at the mine” (p. 3).

Recruitment and Training
Part of the success of the Red Dog in employing local Natives can be traced to the recruitment process. As outlined in a 12/8/95 memo, responding to a decision to increase production at the mine, Cominco and NANA embarked on an aggressive recruitment operation. They visited villages in the region to interview potential candidates from the recruitment list compiled by NANA. In addition to requiring a high school diploma or equivalent, Cominco/NANA required candidates to take a general education skills test. Final candidates were those with the highest scores. This process dispelled the appearance that finalists were chosen because of who they were or where they were from.

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¹We were able to interview only a sampling of businesses and corporations. Organizations not discussed here may also have significant Native hire.
In addition, Cominco Alaska helps new recruits get the necessary skills and knowledge for the available jobs. For instance, in 1996, the available jobs required employees to take vocational training at one of two training centers: the Alaska Technical Center in Kotzebue or the Alaska Vocational Technical Center in Seward. To offset their costs of training new employees, Cominco and NANA jointly pursued state and federal training grants.

Impediments to Increasing Native Hire and Retention
Impediments to hiring and retaining more Native workers include the problems of maintaining a remote job away from family and friends, according to the human resources manager at Cominco. Being away from home for long periods is difficult. Cominco recognizes this, and allows employees to develop various rotation schedules to meet the need for things such as subsistence activities. At the mine itself, Cominco has built facilities for employees, including a well-supplied gymnasium similar to facilities that oil companies provide for North Slope workers.

Another impediment described by the human resources manager is that some positions require degrees in fields such as mining, engineering, and geology. While shareholders are given hiring preferences, very few qualify for these positions. When non-shareholders are hired, they must have the required skills and qualifications lacking among the pool of shareholders. As a result, the more experienced non-shareholder applicants are typically older, while the younger people tend to be shareholders. Job retention is lower among the younger workers, who may move on to something else, or who may lack basic job skills—for instance, not getting to work on time because they sleep in. Consequently, turnover among the younger workers is higher. The turnover rate for the 25-to-45 age group among both Native and non-Native workers tends to be the same at the mine, according to the human resources manager. The job-retention issue is therefore related to age rather than ethnicity.

The vice-president for operations at NANA reports that an unanticipated effect of the mine has been that some mine employees migrate out of the region. Their jobs supply them with the resources to relocate to areas outside the villages. Employees are relocating to areas such as Anchorage because of better opportunities for education and housing. “Some residents enjoy the village communities, but move because of the better school system.”

Analysis
The key is that NANA had control of a highly valued resource—zinc. This put the corporation in an advantageous bargaining position with Cominco. They were thus able to insist that the mine hire local residents as part of the initial agreement.

Over the years NANA has worked closely with Cominco to put in place procedures for recruiting, selecting, and training employees. As a full partner in all these processes, NANA has been able to ensure that whenever possible, local residents are hired and trained.

Is NANA’s success with employment at the Red Dog Mine replicable elsewhere? The answer depends on the degree of control that Native organizations exercise in any enterprise. NANA retained a great deal of control over who was hired—through both its initial leverage, supplied by its ownership of the resource, and its subsequent participation
in the hiring process, particularly its involvement with the Red Dog Employment Steering Committee.

**Community Development Quotas (CDQs)**

*Background*
The Alaska Department of Community and Regional Affairs has described the purpose and structure of the Community Development Quota (CDQ) program in western Alaska:

The Community Development Quota program was developed to enable residents of rural coastal communities in western Alaska to participate in the groundfish fishery off their shores in a way that will bring significant economic development to the Bering Sea region. The CDQ program is administered jointly by the Alaska departments of Community and Regional Affairs (lead agency), Commerce and Economic Development, and Fish & Game.

The CDQ program is a federal program which allocates 7.5 percent of the total allowable catch of the Aleutian Island and Bering Sea pollock fishery—as well as a portion of the halibut and sablefish quota—to eligible communities in that region. The halibut and sablefish CDQ program is granted in perpetuity, and the pollock program has been extended by the North Pacific Fisheries Management Council (NPFMC) until 1998. The State of Alaska is responsible for the administration and monitoring of the program.

Fifty six ANCSA villages near the Bering Sea have established eligibility under federal and state regulations, formed six CDQ groups, and established partnerships with fishing corporations. Local hire and reinvestment of proceeds in fishery development projects are required.

According to an author of a pending National Academy of Sciences (NAS) report on CDQs, the program offers support at several levels. CDQ funds may used (1) as loans to individual fishermen; (2) to guarantee fishermen’s loans to buy or buy back limited entry salmon permits; (3) to hire Alaska Natives to build infrastructure projects such as docks; (4) to buy equity in vessels, as has been done in Bristol Bay and the Pribilofs.

One program in the Yukon-Delta includes an agreement negotiated with pollock trawlers to hire local Native residents, train them in Seattle, and employ them to work pollock during the season. “Some 2,000-6,000 have been hired, with average earnings of $4,000 to $6,000 for the season,” according to the NAS report author. Working conditions are extreme. The halibut quota is being caught locally by Native fishermen. The pollock quota is contracted to trawlers, who submit bid packages which include fish royalty and employment targets. A small number of Natives are employed as crewmen on catcher vessels. A very few Natives also secure administrative jobs.
Another feature of the CDQ program in the Bristol Bay region is a “mini permanent fund,” funded through profits from CDQ activity. These funds are used for scholarships. The NAS report author concludes that “the CDQ program is a complicated one, with much regional variability.”

Some additional signs of how the CDQ program is working were included in the National Bank of Alaska’s June 1998 newsletter, *Business Cache*. The newsletter quoted Joe Kyle of the Aleutian Pribilof Islands Community Development Association as saying, “Our current success story is halibut, which our members are catching in the Bering Sea and we are freezing in our plant at Atka.” Kyle reported that the association was handling 700,000 pounds of halibut a year, employing a dozen people full-time during the halibut season, and putting about $700,000 into the local economy.

The newsletter also quoted Carl Merculieff, president of the Central Bering Sea Fishermen’s Association as saying that CDQs had allowed “more and more locals to take advantage of the rich store of seafood. Today there is room for the smaller entrepreneur and family operation. This, in turn, has meant more money coming into the smaller communities.”

**Employment**

Figures compiled by the Department of Community and Regional Affairs show that in 1997 employment in the half dozen CDQ associations totaled 1,286 (including very brief seasonal jobs) and wages totaled nearly $8 million. Employment in the individual CDQ associations in 1997 varied from 15 to 375 (again including all jobs any time during the year). The CDQ program has also contributed to infrastructure development projects within the region, as well as loan programs and investment opportunities for local fishermen. The Department of Community and Regional Affairs reports that the North Pacific Fisheries Management Council is considering extending the CDQ program into other groundfisheries.

The NAS report on CDQs is in its final draft stage and its findings were not available for inclusion in this report.

**Impediments to Increasing Native Employment**

One of the authors of the NAS report observed that the primary problem with the program is that “the bureaucracy is not set up to deal with Alaska Natives and their unique situations and needs.” He recommends “intermediary organizations” to broker between Alaska Native communities and the bureaucracy and cites as an example the Bristol Bay Permit Brokery for CDQs.
Analysis
Given that NAS is about to issue a report on the CDQs, venturing an analysis with little data in hand seems unwarranted. Yet the evidence we have collected suggests that the program has worked to the benefit of rural Alaska Natives in the Bering Sea region. The program has apparently increased Alaska Native employment in the fisheries and ancillary activities in this region.

If this impression is borne out by the systematic NAS study, the CDQ program may well present a model that is applicable to other resources and other regions. One of our rural Native informants argued that villages could “CDQ the oil, the timber, and whatever resources you have available for economic development—set aside a percent for the Native population.”

Compacting Model

Background
Compacting is authorized under the federal Indian Self-Determination Act (PL 93-638). Compacting increases tribal control over and responsibility for federal program funds, by awarding funds directly to tribal organizations. That contrasts with contracting, under which a federal agency acts as a middleman, administering programs and contracting with a tribal organization. Compacting can have several advantages for Native organizations. Tribes or consortia receive the funding up front. This means they can earn interest on the funds before they are expended. In addition, funding allocated for administering programs goes to the tribes rather than to a federal agency. Tribes and consortia also have more discretion in how administrative and program funds are spent. For the programs that the BIA used to administer and which are now administered by the tribes, tribal authorities can decide how to allocate funds among these programs.

Not all tribal authorities are eligible for compacting, however. To qualify for compacting, a tribal authority must operate a 93-638 contract for three years with clean audits each year. Below we discuss how two Native organizations—the Yukon-Kuskokwim Health Corporation and Maniilaq Association—have used compacting authority.

Yukon-Kuskokwim Health Corporation
The Yukon-Kuskokwim Health Corporation (YKHC) is one of the first two regional health agencies, created in 1970. Fifty-six villages in the Yukon-Kuskokwim Delta are the constituent members of the corporation. The governing board of YKHC, which controls its programs, consists of 21 board members elected from the eleven units in the delta region. Two to eight members are elected from each region, depending on regional population. (The units coincide with the Association of Village Council Presidents’ regional areas.)

The tribal councils in all 56 constituent villages must pass annual resolutions empowering YKHC to contract on their behalf. These resolutions include provisions that allow the tribes to remove their funds from YKHC if they choose. For example, Akiachak and Quinhagak have chosen to contract directly with the federal government for health aide and substance and mental health programs. However, recent federal legislation now prohibits tribes from withdrawing from such health consortia in the future. This change was prompted by Congressional concerns about high
administrative costs in smaller organizations and the belief that larger organizations can benefit from economies of scale.

YKHC is in its fourth year of compacting. Through compacting, YKHC receives about $40 million in federal funds annually. YKHC also receives funding for state programs, as well as for operating mental and substance abuse programs.

According to YKHC’s executive vice president, the corporation has been able to expand and improve programs due to better management resulting from compacting. YKHC hired three people to survey residents throughout the delta to learn how many residents receive Medicaid or Medicare or have third-party insurance. The information from that survey has resulted in an additional $15 million/year in federal funds, which YKHC has put into expanding programs and gradually moving from crisis care to preventive care. Compacting allows YKHC to earn interest on the federal funds it receives for health care programs—thus providing additional money to expand programs and improve the quality of operating health care.

YKHC also reports expanding preventive health care programs into villages and thus making these programs more accessible to residents. Because villagers have to travel into Bethel and Anchorage less often, transportation costs have been reduced substantially.

Recruitment and Training
YKHC works in cooperation with the Kuskokwim Community College to improve the skills of employees through various courses that provide technical training. The corporation pays the tuition of these employees.

Employment
YKHC now has 30 or more employees—such as certified nurse’s assistants—in the villages providing home care services. The corporation also employs 18 village alcohol counselors, each of whom serves two or three villages. Greater efficiency in administering programs has also enabled YKHC to employ more doctors. The corporation puts about $35 million into the local economy annually and employs about four percent of the population, making it the largest employer in the region.

Maniilaq Association
Maniilaq Association is the non-profit arm of NANA Regional Corporation in northwest Alaska. Currently, Maniilaq has entered into compacting arrangements with the Indian Health Service and the Bureau of Indian Affairs. According to the president of Maniilaq, compacting is “a contractual obligation in which the organization receiving funds has demonstrated maturity for the provision of services.” The compacting arrangement with IHS provides Maniilaq with $21 million to deliver health services in the region annually; compacting with the BIA provides another $2 to $3 million.

Impediments to Increasing Native Hire through Compacting
While PL 93-638 permits compacting, Interior Department agencies other than the BIA are not eligible to compact. The president of Maniilaq believes the number of Alaska Natives working for several agencies in northwest Alaska would increase if compacting were available, because several
federal conservation units and BLM lands are in the region, as well as a National Park Service office in Kotzebue. Federal land in the region includes Cape Krusenstern National Monument; Noatak National Preserve; Kobuk and Selawik Fish and Wildlife Preserve; Bering Land Bridge National Preserve; and BLM-managed land on the Squirrel River.

**Analysis**
The advantages of compacting seem obvious. Extending compacting arrangements to other federal agencies operating in Alaska could, as the president of Maniilaq points out, increase the number of job opportunities for Alaska Natives, particularly those in rural areas near federal conservation units. The national trend toward the devolution of federal responsibilities to the local level may make this an opportune time to push for expanding the scope of compacting.

**Section 29, Pipeline Right-of-Way Agreement**

**Background**
Alyeska Pipeline Service Company is the consortium of oil companies that operates the trans-Alaska oil pipeline. A provision (Section 29) of Alyeska’s pipeline right-of-way agreement with the federal Department of the Interior requires Alyeska to recruit, train, and employ Alaska Natives. That provision grew out of negotiations between Alyeska, the owner companies, and Native organizations in the late 1960s, when unsettled Alaska Native land claims covered the proposed pipeline route. In exchange for commitments by the pipeline company to train and hire Alaska Natives for jobs building and operating the pipeline, and to contract with Native businesses, Native groups agreed to support a provision (17c) in the 1971 Alaska Native Claims Settlement Act that extinguished all Native claims to the pipeline right-of-way.

To implement Section 29, Alyeska and the Secretary of the Interior signed, in 1974, a Native Utilization Agreement requiring that at least 20 percent of the work forces of Alyeska and its subcontractors be Alaska Native. Alyeska was to make periodic reports to the Interior Department on the composition of its work force. Under terms of the agreement, only the Secretary of the Interior—not Native groups—could enforce the Native hire requirements, and the only penalty the Secretary could impose for failing to meet the requirement was shutting down the pipeline.

However, Native groups that had monitored Section 29 since its inception found that Alyeska had failed to meet the required Native hire goals and that the Secretary of the Interior had failed to enforce the agreement. Following an audit by the Joint Pipeline Office (a federal-state agency which oversees pipeline operation), and after long negotiations between AFN and Alyeska, the Interior Department and Alyeska signed, in 1995, a revised Native Utilization Agreement. The new agreement requires Alyeska to build up to a work force that is 20 percent Native by the year 2004. The target of a 20-percent Native work force applies to Alyeska contractors with 50 or more employees. Contractors with at least 10 employees have to report their Native hire.

Alyeska also agreed to spend spend $25 million for the Section 29 program over the next 12 years. That includes more than $2 million per year for employment and training and $750,000 for scholarships.
These funds are used, for example, to train Alaska Natives as technicians to work at the pipeline pump stations. Recently, according to a senior personnel analyst at Alyeska, the Section 29 manager instituted a major philosophical change in the company’s approach. Rather than place emphasis solely on scholarships for Natives who might or might not make their way into the upper levels of the company, this “gateway” philosophy involves asking joint ventures to help increase Alaska Native employment by augmenting Alyeska’s funds for training and internships.

The goal of the gateway approach is to place Alaska Natives in professional and managerial positions as well as technical and clerical jobs. Alyeska established a mentoring and internship policy in 1998. The mentoring program pairs inexperienced workers with more technically experienced mentors who provide training in specialized career areas.

**Employment**

According to the senior personnel analyst, Alyeska currently has six full-time interns who are long-term employees; four interns who recently transferred to full-time jobs at Alyeska; and ten total full-time employees who are Alaska Natives.

The Section 29 office at Alyeska emphasized the importance of sustained funding for training because developing higher levels of skill among employees is a long-term process. Alyeska is currently developing a communication plan designed to raise additional training funds from regional and non-profit Native corporations, which are able to tap federal and state sources for training money. The communication plan also calls for cooperation with the ANCSA Human Resources Group, the Alaska Native Coalition for Employment and Training (ANCET), AFN, and the Alaska Inter-Tribal Council.

**Analysis**

The lesson of the original Native Utilization Agreement is that there must be, at the outset, clear and effective ways of monitoring and enforcing compliance. As we mentioned above, the only penalty the Secretary of the Interior could levy against Alyeska for failing to meet Native hire goals was shutting down the pipeline—an unrealistic penalty at best. Other types of penalties would have been much more feasible. For instance, an existing state local hire statute for public projects enables the state to withhold a portion of contract money if contractors fail to meet local hire requirements. The Tanana Chiefs Conference’s Tribal Employment Rights Ordinance (TERO) calls for fines, damages for injured parties, and other sanctions against contractors who don’t meet Native hire requirements.

Getting Alyeska to honor its initial Native hire commitments required negotiation of a revised agreement. The fact that the Interior Department failed to enforce the original agreement for 20 years speaks to the importance of vigilant oversight and of realistic and enforceable sanctions for failing to comply. Regulations and agreements are necessary to provide a legal backbone for efforts to increase Native hire. The Secretary of the Interior could, for instance, issue regulations for the implementation of the Section 29 provision. If this proves difficult in the short-run, the right-of-way agreement is due for renewal in 2004. New sanctions for failure to meet the 20 percent target must be part of a renewed agreement.
At the same time, increased recruitment and hiring of Alaska Natives will require establishment of effective training programs. And finally, organizations and agencies with responsibilities for increasing Native hire need to constantly monitor and make public Alyeska’s progress.

### Oil and Oilfield Service Companies

#### TCC-Sponsored Roustabout Training
The Tanana Chiefs Conference (TCC) sponsors a training program for roustabouts in conjunction with Doyon Drilling. This program has been in place since 1982 and 15 classes have been held to date. The original training was a six-week session at the Alaska Vocational Technical Center in Seward. The last two classes have been three-week intensive courses held at Prudhoe Bay. Our informants told us there are usually 100 to 250 applications for these classes; an initial screening narrows that to 36 applicants, from which a final 18 are selected.

#### Peak Oil Services Company’s Job Referral Service
Peak is a 50/50 joint venture between Nabors Drilling and Cook Inlet Regional Corporation (CIRI). Together with CIRI and the Cook Inlet Tribal Council, Peak funds Alaska’s People, a job referral service designed to help Alaska Natives find jobs.

### Arctic Slope Regional Corporation

#### Background
The Arctic Slope Regional Corporation, which represents Natives on Alaska’s North Slope, has a corporate policy that makes shareholder hire a priority, according to the assistant to the senior vice-president for human resources. Goals for shareholder hire are part of ASRC’s strategic plan, and in annual reports to the ASRC board of directors, every ASRC subsidiary is required to include plans for increasing shareholder hire. The number of shareholders hired is only one of ASRC’s interests, according to our informant. The corporation is also concerned about opportunities for shareholders to advance and consequently does a lot of training and development for shareholders.

Two years ago, ASRC examined levels of shareholder hire among its various subsidiaries. With the data from that study as a baseline, each subsidiary has been asked to increase shareholder employment by 5 percent a year. (However, because many of these subsidiaries are involved with the oil industry, the number of available jobs fluctuates as activity in the industry fluctuates; there are fewer jobs available some years than others.) ASRC’s hiring priorities are: (1) qualified ASRC shareholders; (2) qualified spouses of shareholders; (3) qualified Alaska Natives who are not ASRC shareholders; and (4) others.
**Employment**

ASRC’s original shareholders voted to give children of shareholders—that is, children born after the 1971 Native claims settlement act was passed—restricted shareholder rights. A number of other corporations deny rights to these so-called “new Natives.” ASRC has about 7,500 shareholders (including those born after 1971). About 800 or so a year—more than 10 percent—have worked for ASRC or its subsidiaries in recent years, according to our informant. (This employment number is close to that estimated independently by ISER researchers in the early 1990s.)

**Recruitment and Training**

ASRC has a database of about 2,000 shareholder resumes. Whenever shareholders apply for jobs, they are added to the database. Shareholder employment coordinators are stationed in Anchorage and Barrow. Every two weeks, these coordinators receive an updated list of shareholders looking for work. Whenever an ASRC subsidiary has a job vacancy, the announcement goes to the employment coordinators, who in turn get in touch with qualified job seekers and help them apply for jobs.

The assistant to the vice-president for human resources noted that ASRC formerly compiled “a ton of reports” about shareholder employment. It tracked the number of job announcements each month, the number of shareholders referred, and various other statistics. Rather than continuing to keep such detailed records, ASRC has now decided to focus its resources on outreach: counseling people in need of work, helping people prepare resumes, and going out into the villages and talking with job-seekers. A report on shareholder hire by location is still presented monthly to ASRC’s board of directors.

If a subsidiary does not meet the goal of increasing shareholder hire by 5 percent each year, ASRC works with the subsidiary to get it on track, according to our informant. As an incentive to managers, bonuses depend in part on meeting shareholder hire goals.

ASRC helps shareholders get better training and develop their skills in various ways:

1. ASRC has a shareholder professional development program. Currently there are five shareholders in the program, which is a three- to five-year program that trains people for professional or managerial jobs. Program participants serve short-term assignments with different subsidiaries to experience a range of jobs and situations.

2. ASRC awards about 120 two- or four-year scholarships a year through its Arctic Education Foundation, a non-profit arm. People who receive the scholarships might be shareholders themselves or their children. Those who receive the scholarships are tracked to make sure they keep up their grades.

3. Natchiq, which oversees most of ASRC’s oil field work and has five subsidiaries, has a training facility that is open not only to shareholders but to anyone who works for a Natchiq subsidiary. ASRC hopes to have the scope broadened to include shareholders not employed by a Natchiq subsidiary. Several hundred people a year take some training at this facility, according to our informant, but not all are shareholders.
(4) ASRC encourages shareholders to attend Ilisagvik College in Barrow, which offers two-year associate degrees and vocational training in carpentry, plumbing, operating heavy equipment, and other trades. The college is a non-profit organization operated through the North Slope Borough. Any North Slope resident can attend free of charge. Our informant estimated that Ilisagvik has 50 to 60 full-time students and several hundred part-time students over the course of the year.

(5) ASRC has just signed a joint-venture training agreement with BP Exploration. The six-part training will occur over the next four years and will be paid for by BP. The first part involves eight shareholders who are attending an engineering program offered by the University of Alaska Anchorage. These students work at BP in the summer. The subsequent phases remain to be determined.

Analysis
ASRC believes it has succeeded in shareholder hire because it has made such hire a corporate priority and because it is continually looking for ways to boost shareholder hire. Also, the corporation has emphasized education and training to enable shareholders to move up the job ladder. This seems to be an accurate analysis. The key elements here seem to be: (1) goals for both the corporation and its subsidiaries that include incentives for managers and assistance for those not meeting the goals; (2) numerous and varied training and educational opportunities; and (3) a regular data-gathering and reporting process for monitoring progress toward hiring goals.

NANA Regional Corporation

Background
NANA Regional Corporation—which represents Natives in northwest Alaska—has developed, since its founding in 1972, into a diversified corporation with some 26 wholly-owned or partnership businesses. NANA’s business activities include mining, lodging, food services, security, corporate services, construction, and engineering. According to a recent study conducted for NANA by the McDowell Group, the corporation, its subsidiaries, joint-ventures, and the Red Dog Mine generate 2,000 jobs with an annual payroll of $80 million. As the McDowell report points out, “if all these jobs were recorded as NANA employment, the corporation would be the third largest employer in Alaska.”

The report also notes that “over the last five years NANA has recorded substantial growth. Gross revenues have increased over 50 percent, rising from $39 million in 1993 to $60 million in 1997. NANA’s investment portfolio has increased in value from $36 million to $59 million over the 1993 to 1997 period, a 60 percent increase. Shareholder equity has jumped from $50 million to $70 million, up 40 percent in five years.”

Employment
In 1997, according to the McDowell report, NANA employed 600 of its own shareholders and paid out $28 million in wages to shareholders. Within NANA, certain positions have been identified as available only to shareholders. According to the director of training and development, NANA does not have enough qualified shareholders to fill professional positions, such as attorneys and engineers. Many positions in the corporation are in food and housekeeping services.
Recruitment and Training
According to NANA’s senior resource analyst, the corporation maintains a database of 2,000 to 3,000 shareholder applications. The corporation keeps these applications in the database for 6 to 12 months, in the hope that it can find appropriate job openings. Three recruiters are stationed in Anchorage and a fourth in Kotzebue. The latter works with people who may have traditional skills but don’t understand how to translate these into skills for “eight-to-five” jobs.

Job openings in the corporation are first posted internally, according to our informant. If two applicants are equally qualified, an applicant who is also a shareholder will have preference. (For purposes of employment, NANA also considers spouses of shareholders as shareholders.) Our informant said employee turnover is high, but the corporation is working to reduce that turnover through an extensive orientation program to help employees understand what they’re getting into when they take jobs with NANA.

NANA also provides training for a variety of technical and skilled positions in its various subsidiaries and partnerships. The training budget for 1998 is $150,000, according to our informant. The corporation is focusing on two training areas intended for shareholders only: training for potential shareholder employees, and mentoring to help shareholders move into management jobs.

The pilot mentoring program pairs beginning employees with mentors who hold high-level positions in NANA’s development department. Mentors and beginning employees both volunteer to participate in the program. An employee being mentored enters into a contract with a mentor for anywhere from six months to four years. Those being mentored receive help starting on suitable careers. NANA’s development department provides funds for school tuition for those being mentored, who must remain employed at NANA. Conferences that employees attend to improve their job skills can also be considered as training. NANA views the mentoring program as a critical step toward its goal of a shareholder-managed corporation. The corporation also offers a program to upgrade the skills of its existing workforce.

NANA Scholarships
NANA provides scholarships to eligible shareholders. The 1998 budget for scholarships is $75,000. NANA will provide $40,000 of that total and Cominco and Chevron—partners in NANA business ventures—will also contribute. Scholarships are granted on a sliding scale, based on class standing. Students can receive $200 a semester as freshmen and may be eligible for an additional $200 per semester, up to a maximum of $800 per semester for seniors. Graduate students can receive $800 to $1,000 per semester. Eighty-seven NANA shareholders have been awarded scholarships for winter semester of 1998.

Camp Sivunniigvik
NANA is a primary supporter of Camp Sivunniigvik, a summer camp where participants spend a week learning a variety of skills with an emphasis on Inupiat culture. The camp is open to non-shareholders, and in 1997 about 200 young people attended, including some from Anchorage and Fairbanks and as far away as New York. The camp is located 30 miles east of Kotzebue on the
Kobuk River delta. It opened in 1983 and now has a staff of 25, plus volunteers. The 1998 budget for the camp is $130,000, with funding not only from NANA but also from a variety of agencies.

Impediments to Increased Native Hire
Like other Alaska Native organizations, NANA has confronted the problem of having higher-level positions for which relatively few of its shareholders are qualified.

Analysis
Like ASRC, NANA has made shareholder-hire a priority. As we noted in the earlier description of the Red Dog Mine, NANA has used its authority over resources to leverage jobs for its shareholders. Because shareholder-hire is a priority, the corporation has entered into new endeavors with an eye to employment opportunities for Alaska Natives in the region. In other words, agreements have, from the start, been negotiated with this goal in mind. The corporation has also created training and employment programs to help shareholders gain the experience and qualifications needed for higher-level positions.

Louden Village Tribal Council and Yukana Development Corporation

Background
In 1996, the Louden Village Tribal Council created Yukana Development Corporation as a vehicle to allow the tribal council to contract with the Air Force for remediation work at the Galena Air Station. The creation of a tribally-owned, for-profit remedial contracting business accomplished two goals, according to our informants. It separated the business affairs of the corporation from tribal politics, and it separated the tribe’s sovereign immunity from the corporation. Under the Yukana charter, the tribe is the sole shareholder and the tribe must use all dividends to improve domestic and social services. The tribe hopes it will ultimately be able to fund its own programs, rather than relying on unsecured grant programs.

Employment
The tribe estimated $200 million in remediation work was needed at the air station. The first year Yukana negotiated a contract to do phase one barrel work, which consisted of removing, crushing, and making ready for shipment barrels already collected out of the woods. The corporation is now negotiating for phase two, which is a $2.4 million contract to pick up barrels within a 10-mile radius of the air station. There will also be a phase three contract, to pick up barrels on the remainder of the Yukon River.

2Other tribal councils besides Louden Village’s may also have success stories about training and placing tribal members.
In addition to the remediation contracts, Yukana has entered into a formal mentor/protege relationship with Chugach Development, a subsidiary of Chugach Alaska Corporation. Chugach Development currently has the contract for base operations and services at the Galena Air Station but will be mentoring Yukana to take over this contract. In mid-1998, 24 people in the local community were employed under this contract and the tribe hopes to expand this to 54 community jobs. The contract will also keep part of the overhead and profit in the community.

Louden Village Tribal Council has also sponsored training in hazardous waste removal and abatement for 104 of its tribal members. The laborer’s union trained 80 people and EPA trained an additional 24. Yukana recently contracted to send 48 people to Dutch Harbor for 21 days to clean up a spill resulting from a freighter going aground.
Federal Programs

Construction of the Alaska Native Medical Center

Background
A new Alaska Native Medical Center was recently completed in Anchorage. Perhaps most interesting and controversial about construction of that facility was the involvement of the building trade unions. Some observers assumed that involvement of the unions would result in few jobs for Alaska Natives. In fact, the opposite turned out to be true. The manager of the Tribal Employment Rights Office at the Cook Inlet Tribal Council described the project in November 1994 as a “cooperative effort between 14 regional based Alaska Native employment and training service providers (affiliated as the Alaska Native Coalition for Employment and Training) and all 14 member unions of the Western Alaska Building & Construction Trades Council who demonstrate[d] the vision and flexibility needed to actively cooperate with contractors who were required to meet the federal Indian [hire] provisions that are part of the contract.”

The manager estimated that the effort to hire Natives, coordinated and monitored by the Cook Inlet Tribal Council (CITC), produced an average of 70 percent Alaskan Native/American Indian employment in the skilled construction trades. Subcontractors on the project had very high levels of Alaska Native/American Indian employment: Ellis-Don Construction, 85 percent; Gagnon Masonry, 100 percent; and McLean Electric, 90 percent.

A key part of the effort may have been the informational sessions on Alaska Native people held by the Alaska Area Native Health Service for contractors, project superintendents, foremen, and personnel from the Public Health Service’s resident engineer office at the outset of the project. Another key was the contract the resident engineer’s office entered into with CITC to conduct monitoring and coordination services.

As an extension of the cooperative effort that began with construction of the medical center, the contractors for the $4.3 million mechanical upgrade on the Public Health Service facility in Bethel worked with the Association of Village Council Presidents to maximize apprenticeship and journeymen opportunities for Alaska Natives in Bethel. As reported by the TERO (Tribal Employment Rights Office) manager at CITC, 21 of the 24 skilled trade workers on the project in 1994 were Alaska Natives and over $900,000 in subcontracts were awarded to Indian-owned companies. The project superintendent was also an Alaska Native.

Employment
CITC figures put weekly average 1994 employment of Alaska Natives/American Indians on the project at 120 skilled trade workers. In 1995, 53 percent—or 112—of an average workforce of 212 was Alaska Native/American Indian.
Recruitment and Training
The contractors did the hiring under the eyes of CITC. Most of the contractors had agreements with the related construction trade unions. When workers were needed, the contractor informed the relevant union. Because of the Indian Preference hiring provisions of the contract, unions would dispatch Alaska Native/American Indian workers. Non-union subcontractors were required to give CITC 72 hours advance notice before hiring a non-Native. CITC kept its members and others informed of opportunities and procedures for seeking jobs.

Analysis
The success of Native hiring on the ANHC project began with the Indian hiring preference in the original federal contract. It was incumbent on contractors to hire Alaska Native/American Indian workers whenever possible. The fact that the contractors had to work through the building trade unions did not prove to be the barrier to Native hire that some had anticipated. CITC/TERO also played a major role in monitoring hiring for the project. Everyone knew CITC was keeping an eye on hiring and also knew that the Indian hiring preference gave them leverage.

Emergency Fire Fighter (EFF) Crews

Background
Emergency firefighting crews in rural Alaska date back more than 60 years, to the Great Depression. According to the Tundra Drums, village crews were established as part of the Civilian Conservation Corps, one of President Franklin Roosevelt’s prime means of getting money into the hands of those hardest hit by the depression. Today, the federal and state governments train a total of 73, 16-person Type II crews to national ICS standards to fight wildfires in Alaska. Mostly from rural areas and largely Alaska Native, these crews are hired when fires are burning and released when the fires are out. The state government manages 29 of these crews, providing needed training, physical requirement tests, and red card issuance. Firefighting crews can also be dispatched to fight fires in other states, after the fire season in Alaska is over, and are then paid by the federal government.

To qualify, applicants must meet national minimum standards for experience, training, medical, and physical fitness. They must also possess a valid Qualification Card Incident Command System, known commonly as a “red card.” Applicants must be at least 18 years old and pass the currently approved physical fitness test.

At least two villages, Hooper Bay and Fort Yukon, have three crews each, while eleven other villages support two crews each.
Employment

According to the Alaska Department of Natural Resources (DNR), the state has paid an annual average of $3.9 million in firefighting wages to local residents since 1986. Combined with wages paid by the federal Bureau of Land Management (see page III-30), the total average annual payment to firefighting crews in Alaska is $6.9 million. In 1997, Alaska firefighters were paid over $5.6 million in state and federal wages.

We were unable to find out what portion of firefighting wages is paid to Alaska Natives or how many of the 73 crews are Native. However, we estimate that for the 63 crews that come from predominantly Alaska Native communities, employment is at least 1,008. This is probably a conservative figure, since crews from predominantly non-Native communities are also likely to include some Natives. Firefighters earn between $14 and $16 per hour. For a 16-person crew, a single three-week deployment can produce $50,000 in income for the village.

According to a DNR report on the Tazlina Hotshot crew, individual firefighters earn roughly $15,000 annually. Training of that crew was sponsored by the Copper Valley Economic Development Council, in collaboration with the Chitina Traditional Village Council, and funded with money from STEP. The work appeals to young people who enjoy the challenge of firefighting. The Tazlina crew trained for 80 hours before going into the field.

Analysis

Firefighting crews represent an important employment opportunity for Alaska Natives, particularly for young men. In addition to fighting wildfires in Alaska, crews are occasionally sent Outside to battle wildfires. The potential for further development of this kind of employment is limited, however. The Alaska Department of Natural Resources, Division of Forestry, “has determined from historical use that the maximum number of EFF crews normally required, and that can be efficiently trained, kept current, and logistically supported is 73.”

In addition, income from firefighting is not dependable. For instance, according to the Anchorage Daily News, as of mid-1998 (7/26/98), only 127,000 acres in Alaska had been lost to forest fires, compared with 1.87 million acres in 1997. While it is good news for Alaska when less acreage burns, it also means less income for firefighters. Crews in some villages have not been called out all summer. Residents who rely on firefighting wages as their principal source of cash for the year will be in difficult straits during the coming year. Some communities will be particularly hard hit in 1998, because not only is income from firefighting down but also income from commercial fishing—another traditional source of income for rural Natives.

Still, the model the EFF crews represent may have potential for increasing Native employment. As we described earlier, Louden Village Tribal Council has sponsored training in hazardous-waste removal for 104 of its tribal members. The laborer’s union trained 80 people and EPA trained an additional 24. Yukana Development Corporation, a subsidiary of the council, recently contracted to send 48 tribal members to Dutch Harbor...
for 21 days to work on a spill resulting from a freighter grounding. According to our informants, the camaraderie and pride exhibited by the members of the cleaning crew mirrored that associated with firefighting crews. In addition, the short-term, intense periods of employment allowed villagers time to pursue subsistence activities.

**Leveraging Native Hire through Sanitation and Safe Water Projects: Force Accounts, Contracting, and Cooperative Agreements with IHS**

*Background*

The federal Indian Sanitation Facilities Act (PL 86-121) became law on July 31, 1959. This act authorized the Public Health Service to enter into cooperative agreements with Indian tribes and Alaska Native groups to provide essential water, sewage, and waste disposal facilities for qualified tribes.

According to the Village Safe Water Office at the Alaska Department of Environmental Conservation, over the past several years approximately $50 million in federal and state funds have been blended together annually to plan, design, and build sanitation facilities in rural and Alaska Native villages. The sources of funds for these projects are Public Health Service/HUD (for housing and plumbing), Alaska Department of Transportation and Public Facilities (for sanitation and roads), Village Safe Water (for planning, design, and construction), EPA (for wastewater), and the Family Housing Authority (for construction).

Agencies use memorandums of agreement to establish joint ventures that are intended to eliminate duplication of effort and reduce community confusion, since a single agency is designated as the lead, regardless of the type of funds used. An incentive-based program using health, environmental, and local operation and maintenance (O&M) commitment criteria is used to rate and score projects on a statewide priority list developed annually in the fall. This list is passed on to the Alaska Legislature, which appropriates funds each year to finance those community projects high on the list. Grants covering 100 percent of the project costs are made to these communities. Technical and administrative assistance is available to communities throughout the life of the project. All funds are deposited in a named project account monitored by an accounting firm. Monthly financial statements are provided for each project. Since financial accountability is crucial, co-mingling of these funds with other community assets is not permitted. If communities violate the conditions of the grant, the project is stopped and the funds held in abeyance. Of 47 ongoing Village Safe Water projects, 3 are currently being held in abeyance.

Engineering feasibility studies are required for every project. These investigations take from 6 to 18 months and include a public participation process. The community selects its desired solution at the end of that process.
Before talking about how Native organizations have used PL 86-121 to create sanitation project jobs for rural Natives, we first need to briefly discuss the federal Davis-Bacon Act, which plays a major role in determining construction wages. Originally passed by Congress in 1931, during the Great Depression, Davis-Bacon and its state-level equivalents—sometimes called mini-Davis-Bacon—have been controversial for decades.

Essentially, the Davis-Bacon legislation requires contractors on public construction projects to pay what the federal or state government has determined are “prevailing wages” in the region. It also supports training for workers, because it requires contractors to hire some apprentices.

In Alaska, some rural residents see the laws as impediments to increasing local hire on construction projects in rural areas—because the established wages tend to attract workers from urban areas. Others believe the laws insure fair wages for local people. Organized labor staunchly opposes any changes in Davis-Bacon. According to the executive council of the AFL-CIO, repeal of the laws would “destabilize and disrupt the [construction] industry. This is the experience in the states that repealed their prevailing wage laws, known as ‘little Davis-Bacon laws.’ These states have seen increases in the number of cost overruns and expensive change orders to rectify mistakes and shoddy workmanship.”

Those who argue for repeal at the national level claim that such a change would save the government money, citing Congressional Budget Office figures they say show that Davis-Bacon costs taxpayers about $1.5 billion annually. The AFL-CIO counters that repeal would be “penny-wise and pound-foolish” because it would “increase the budget deficit, since lower wages for construction workers would result in an estimated decline of $1 billion in federal tax revenues.”

Organized labor’s greatest concern is for the construction workers, union and non-union, who the unions claim would lose an average of $1,477 in pay annually if the legislation were repealed. The unions also claim that “studies show that Davis-Bacon construction projects employ a higher percentage of minorities than other projects, and states that have repealed their little Davis-Bacon Acts have seen minority participation in apprenticeship programs decline by more than one-third.” Opponents refute that claim.

In Alaska, observers familiar with contracting in rural areas believe the primary reason contractors do not hire more construction workers locally is that they do not believe they can find workers with the qualifications and experience required to do the job in the time allotted. Contractors, working on hard money contracts with inflexible deadlines, must adhere to a strict timeline and have little room within their budgets for missteps. Consequently, they are more likely to hire an electrician from Anchorage or Fairbanks whom they know and who will complete the job within the required time. Hiring local workers is, from the contractor’s perspective, risky: local people may or may not have the required knowledge and skill and they may or may not be available when

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3It’s not clear whether on balance the Davis Bacon Act helps or hinders Native hire, based on the arguments our informants made for and against the legislation.
Using Tribal Employment Rights Offices (TERO) ordinances, communities can make local hire provisions part of any contract let for local construction projects. Such requirements have to be included at the time the funding agency is putting the project package together, according to the coordinator of Native hire during construction of the Alaska Native Medical Center. He suggests that TERO officers get involved in planned projects very early—attending pre-bid conferences, meeting with the agency contracting for the work, getting to know all the bidders, and in general making everyone aware of the local workforce’s training, skills, availability, and experience.

Repealing Davis-Bacon and mini-Davis-Bacon in the face of adamant labor opposition seems unlikely. Moreover, even if the laws were repealed, considerable effort would be required to force contractors to hire locally, especially for skilled labor. Both of these circumstances tend to reinforce the advantages of force accounts, which we discuss next. A force account enables a community to hire local residents at less than the Davis-Bacon rate, thereby hiring more residents than would be possible under the full rate. Not everyone is, however, satisfied with the lower wages, according to the Office of Environmental Health and Engineering in the Alaska Area Native Health Service. Some residents believe they should receive the same wages their counterparts in urban areas receive.

An alternative way for Native organizations to insure local hire would be to negotiate the inclusion of TERO ordinances in contracts (as discussed above) and then work closely with contractors to help them identify suitable workers in the community.

**Use of Force Accounts**

The first projects under PL 86-121 nationally began in 1960, and initially tribes were expected to provide volunteer labor. The government assigned a foreman who supervised a team of local volunteers and some hired labor. This type of construction, in which the government has direct involvement in the project, is what is known as “force account.” Force account construction implies that the government purchases the materials, provides or rents the required equipment for the project, and has government employees supervising the construction.

Since the outset of the Sanitation Facilities Construction program in Alaska, the concept of government force account has been recognized as the most feasible method of construction. Government force accounting allows involvement of Alaska Natives, which is beneficial to the economy of the community and provides job skill training. As the program progressed, the Indian Health Service recognized that expecting Native people to volunteer their time to construct the project during the season of the year when many have to earn their annual incomes was infeasible. The federal government then developed a reduced wage scale commensurate with the local prevailing wage. This resulted in wages that are

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4We do not have precise information on the cost differences between force accounting and other construction contracting methods.
typically 50 to 60 percent of the prevailing Davis-Bacon wages, without fringe benefits. The Native community has the option of increasing these wages by contributing funds from other sources. However, in most villages, these wages are accepted.

Years of cost-effective operations and the desire of rural communities to generate local employment and stimulate their local economies have prompted the widespread use of force accounting to construct sanitation facilities in villages. Many village leaders do not like contracts or outside contractors. They want to participate in project planning and construction. Hiring outside contractors is also expensive, unless the project is sufficiently close to a population center where contractors have access to their own heavy equipment and to subcontractors. The remoteness of most villages necessitates barging in equipment and materials. The sanitation program has accumulated a fleet of federally owned heavy equipment. This equipment is leased and the fleet replenished with funds from the leases. In many villages, this fleet is augmented with locally owned equipment.

Force account construction also allows for greater flexibility in planning, scheduling, and building, much of which is carried out in conjunction housing projects funded by HUD. Most construction projects have multiple-agency funding that complicates planning and coordination. A contractor cannot order materials until the contract is awarded, which is 60 to 120 days after the design is complete. Quite often, that system delays construction by at least a year. Force account construction, on the other hand, enables the villages to order materials before the design work is complete. The experience of the Office of Environmental Health and Engineering in the Alaska Area Native Health Service is that when projects are put out to bid, the typical bid comes in at twice what the force account method would cost. Our informants told us that this estimate has been borne out by past solicitations that were later canceled due to high cost.

According to the environmental health office, the practice of force accounting has continued in Alaska but not on reservations in the Lower 48. Outside tribes contract with the government directly or receive direct payments to do the work themselves or to contract the project out. The environmental health office estimates that residents in approximately one in every eight to ten villages in Alaska are dissatisfied with the wages paid under force account construction. Typically these are villages in the most economically disadvantaged areas.

The Village Safe Water Program has reported that because local governments must own and operate constructed facilities, they determine how the project should be built. Consequently, most safe water projects use force account construction. This allows the community to hire local residents as an extension of their local public works department to build the project. Wage rates, hours, working conditions, and insurance are the responsibility of the local governing body. Outsiders employed are the field engineer and lead superintendent. All others are community residents. Flexible work schedules are established to allow time for berry picking, fishing, hunting, firefighting, as well as for delays caused by bad weather and the usual array of material, equipment, transportation, and logistical problems. Since there is no profit margin, work usually costs less to accomplish, although informants say production efficiency has been an issue on some jobs.
Plumbing, pipe fusing, carpentry, surveying, and trenching crews are trained on the job. Bookkeeping, accounting, and payroll taxes are done by an accounting firm. The on-site project engineer does inspections. In areas where unemployment is high, force account construction is extraordinarily popular but requires a very competent team of village leaders, engineers, and superintendents and foremen to pull it off.

**Alternatives to Force Accounts**

Not all sanitation projects in Alaska are done by force account. In recent years, several successful contracts have been let to serve the Kenai Peninsula, the Copper River Valley, the Fairbanks area, Dillingham, Nome, Naknek, and King Salmon. In these projects, well drillers and small contractors with backhoes and other equipment have been locally available. These projects, however, constitute only about 10 percent of all sanitation projects.

Tribes not using force accounting may still receive funds for projects through cooperative agreements. Tanacross, Bethel, Unalaska, and Nome have negotiated cooperative agreements for sanitation projects. According to the environmental health office, the advantage of a cooperative agreement over a contract is that villages avoid the risk of cost overruns. At the same time, by pursuing cooperative agreements rather than contracts, tribes forego the possibility of earning a profit from a project by keeping costs below the contracted amount.

**One Village’s Experience with a Cooperative Agreement**

According to the Tanacross tribal administrator, the village is currently replacing and expanding its sewer system. Tanacross chose to take on the management of the project under a Memorandum of Agreement with the IHS. The tribe had originally wanted to get a 93-638 (Self-Determination Act) contract for the project, but this option became unavailable when Alaska’s U.S. Senator Ted Stevens attached a rider to the Indian Health Service appropriations bill. That rider said there would be no new 93-638 contractors for health services except the Southcentral Foundation. The tribe felt that a 93-638 contract would have been better, because they would have had complete authority to get the job done: they would have borne the risk but also reaped the reward. Under the memorandum of agreement, they don’t bear the risk but they also forego the possibility of making a profit.

Before the demise of the 93-638 option in October 1997, the environmental health office let three 93-638 contract projects in Galena, Beaver, and Quinhagak. Of these, only the project in Galena has been completed. According to the environmental health office, the problem with the 93-638 contract was that the tribe incurred the risk as well as the profit. The biggest risk was that the project cost would exceed the funds. In force account construction, the Indian Health Service retains the risk.

Tanacross is concerned about the level of wages paid tribal members and has been negotiating for wages higher than the Indian Health Service standard of 50 percent of Davis-Bacon. The council has brought in three people from outside the village to manage
the skilled areas of construction. The construction foreman is a Native from Nenana with 25 years of experience. A Native from Ruby is the mechanic. The only non-Native is the surveyor. The assistant foreman, four laborers, one security person, and the construction administrative assistant are all local residents.

The Tanacross tribal administrator reported that a critical aspect of the project was putting an accounting system in place. Two years were required to move from the manual accounting system to a computerized accounting system with a dedicated check printer.

*Barriers to Extending Force Accounts and MOAs*
Informants told us a barrier Tanacross encountered was a prevailing paternalism among the agencies. As a tribal administrator reported:

> Their attitude is “we know best.” [The agencies] will come in and say, “We will take care of you by building you houses” instead of working on getting you to learn how to build houses. There is a tension between the middle class in urban areas and the villages, which want higher wages and local control. For example, Tanacross has taken jobs out of Fairbanks. In the long run, however, all of Alaska will be on a faster growth path if the economy is more diversified.

Tanacross is considering a project labor agreement for the future. Village officials believe their tribal members deserve respect for their skills. The laborers and the operators unions offer training benefits as well as medical and pension benefits. They also believe in the importance of incorporating their TERO ordinance into all contracts and agreements, so a Native employment preference is assured.

*Employment Effects*
The economic impact of jobs building sanitation systems is significant in Native villages that suffer high rates of unemployment. Some villages rotate the labor crews to give everyone in the village seeking employment the opportunity to work on a project. While involvement of the Native people frequently results in dollar savings for the project, a greater benefit may be the development of local knowledge and expertise regarding the facilities installed and procedures for their operation and maintenance. Local residents are trained to operate the systems after the construction phases and, where feasible, local operation and maintenance organizations are established and equipped.
Federal Agency Policies

Background
Eighteen federal agencies and departments have offices in Alaska. Each of these has its own personnel office. This makes systematic recruitment of Alaska Natives for jobs in federal agencies difficult. Also, most federal jobs are advertised primarily on the Internet and are filled through national competitive hire.

Three land management agencies within the Department of the Interior (the Fish and Wildlife Service, the National Park Service, and the Bureau of Land Management) have local hire authority in Alaska under terms of the 1980 Alaska National Interest Lands Conservation Act (ANILCA). This local hire authority allows a federal agency to limit applicants for certain jobs to local residents with special knowledge of local conditions. This local hire provision gives rural Natives a much better chance at federal jobs, but only three federal agencies have this authority, relatively few jobs are filled through local hire, and most such jobs are lower-level positions.²

All federal agencies are subject to the federal government’s Equal Opportunity Recruitment Program (discussed more below), designed to bring more minority workers into the federal labor force. Some federal agencies also have Native liaisons to work with Native communities and help promote Native hire. Others have diversity working groups. Several also take part in the federal government’s Student Career Employment Program, which gives some Native students a way to work into federal jobs. Under this program, students at least 18 years old and working toward degrees or certificates that could qualify them for jobs in a given agency can work part-time for the agency while they go to school. They then have the opportunity to go to work for that agency when they graduate. Such student jobs, however, are few.

In 1988, under pressure from the Alaska Congressional delegation and Native organizations, the federal government sponsored formation of the Alaska Native Employment Network. The network was formed by 1989, and in April 1993 the first coordinator, Dennis Metrokin, was hired. Later, Tony Vaska became the coordinator.

Vasca worked with federal agencies, Native organizations, and individual job applicants. He helped Native applicants fill out complex application forms, informed them of available positions, and generally helped them negotiate the system. The coordinator also worked with the Federal Executive Association, a chartered group composed of the directors of agencies in Alaska. The association has a Civil Rights Committee, made up of the staff Equal Employment Opportunity (EEO) representatives of federal agencies. The committee does not collectively track Native hire, but each agency is required to keep its own records of minority hire. Unfortunately, despite its apparent effectiveness, the Alaska Native Employment Network was recently disbanded and the coordinator’s position was terminated because of lack of agency funding and support.

²We don’t have complete information on how the local hire preference in ANILCA is enforced, nor do we have information on what more federal agencies that lack local hire authority could legally do to increase Native access to federal jobs.
Equal Employment Opportunity Targets

All federal agencies are subject to requirements of the Federal Equal Opportunity Recruitment Program. This is an affirmative-action recruitment program (recruitment, not hiring) that is mandated for all federal agencies to increase their hiring of Blacks, Hispanics, Native Americans, Asian Americans/Pacific Islanders, and White women. The program has three goals: (1) to expand targeted affirmative recruitment; (2) to make applicant pools representative of the nation’s diversity; and (3) to eliminate under-representation of minorities in the federal workforce. The federal government’s equal employment opportunity program works on a trigger concept: once federal officials have determined that minorities are under-represented in an agency’s workforce, targeted recruitment is triggered.

Impediments to Increasing Native Hire and Retention

The “targets” for minority hire set for federal agencies are based on the percentage of various minority groups in the national civilian labor force in specific job categories. (For example, say that 2 percent of the biotechnicians nationwide are Native American. In filling biotechnician jobs in Alaska, an agency’s target would be a biotechnician workforce that is 2 percent Native American.) Because the proportion of Alaska Natives/American Indians in the national labor force is small, most or all of the Department of the Interior agencies in Alaska probably are meeting their EEO targets for Native hire— or, in the EEO language, Alaska Natives are not “under-represented.”

On the other hand, Hispanic people may be considered as under-represented in the federal workforce in Alaska, because the percentage of Hispanics here is smaller than the national average. The Alaska office of the Fish and Wildlife Service has pointed out to the Equal Employment Opportunity Commission that the minority composition in Alaska is different from the national average. The EEOC’s response has been that the use of national minority representation is appropriate because federal agencies recruit nationwide. Federal agencies have to submit a plan to EEOC every year, stating goals for minority recruitment and proposing ways to meet their goals. If federal agencies fail to meet their minority hiring targets, not much appears to happen, except that the agencies have to revise their plans and propose ways of improving minority hire. In the worst case, the EEOC could send someone to investigate an agency for failure to meet minority hiring targets. We are not aware that this has ever happened in Alaska.

Federal Aviation Administration

Background

The Federal Aviation Administration (FAA) has an Alaskan Region Native Hire Committee to help the agency increase its Alaska Native work force. That committee makes recommendations to the FAA’s regional administrator and to members of the regional management team about how to hire, train, and retain Native employees. The FAA’s Human Resources division is also charged with coordinating efforts to increase Native hire.
The Flight Standards Division reports using special hiring programs to try to increase Native hire. That division has also recognized its evaluations program manager, Dan Perry, for revitalizing equal employment opportunity within his agency. For example, Perry involved the Native Hire Committee in surveying the needs, issues, and concerns of the division’s Native American employees. This resulted in a compilation of statistical data on Native employment and training in Alaska and an assessment identifying problems. The committee was able to identify specific goals and a plan to accomplish them. Perry has also developed a presentation for FAA’s regional management, outlining the goals of the program and describing the specific support needed from each manager.

Perry helped the manager of the Flight Standards Division define a process for informing Native communities about employment possibilities. The resulting process included meeting with potential applicants to explain the hiring process and what they needed to do to be considered for jobs.

The FAA’s airports and air traffic divisions also use, in conjunction with the University of Alaska, a cooperative education program to help recruit Alaska Native students for possible job opportunities with the FAA.

*Impediments to Increasing Native Hire and Retention*

The evaluation program manager told us that he has been frustrated at not being able to generate more interest in FAA jobs among rural Alaska Natives. He reported finding that in rural Native communities interest seems highest in jobs that are high-paying and short-term—like construction jobs—because such jobs allow continued subsistence activities. By contrast, FAA jobs are long-term, career-oriented, and full-time—and consequently are not as attractive.

Another problem is that over the past five or six years a number of FAA jobs have been transferred from rural to urban areas such as Anchorage, Fairbanks, and Juneau. Of the 140 FAA safety inspectors in Alaska, none are stationed in rural areas. The evaluation program manager views this as an expensive way to do business, because urban inspectors must be paid a per diem rate on top of travel costs when they travel to rural areas. FAA has consolidated flight service stations, thereby mothballing many facilities in Alaska. The evaluation manager thinks this reflects a larger trend in which many federal jobs—including those with the Bureau of Land Management—are being relocated to urban areas, on the grounds that not enough qualified applicants can be found in rural Alaska.

*Analysis*

Development of advocacy groups to track employment of Alaska Natives within federal agencies and other government entities would help improve Native hire. Job development is another key to increasing participation of Alaska Natives. Such development would include assessing the work available and where the work resides; it could also be useful to split jobs so that more qualified persons could mentor or train those with less experience—similar to the relationship between village public safety officers and state troopers.
The evaluations program manager for the Flight Standards Division of the FAA is a member of a coalition of employees called the National Native American and Alaska Native Coalition of Federal Aviation Employees (NAAN). This is a professional association recognized by the federal government as a represented group; it is considered an advocacy group. At present, this coalition lacks funding and support from the community. The evaluations manager feels, however, that the coalition has the most potential to increase Alaska Native employment in the federal government. This coalition functions as an advocacy group because: (1) coalition officers are elected by other coalition members and are free to interact with community organizations; (2) the members can act as a non-profit organization and receive funds for operating programs (such as making fliers) or for travel costs; and (3) the members are within the organization—so they have an inside view of that organization.

Fish and Wildlife Service

Background

Unlike most federal agencies in Alaska, the Fish and Wildlife Service has local hiring authority under terms of the Alaska National Interest Lands Conservation Act (ANILCA). This means that, for certain jobs, FWS can limit applicants to those living near wildlife refuges. Typically such local hire jobs require special knowledge of the local area. An example of FWS local hires in Alaska are refuge information technicians, who help collect survey data and explain FWS programs to local residents. FWS does frequent surveys of fish and wildlife harvests in refuges. The information technicians help do the surveys but they also explain to people why FWS needs the information. Information technicians also make interpretive presentations in schools, present information at village meetings, and, in general, explain FWS policies to local people.

Most FWS jobs—like federal jobs in general—are not local hire but competitive hire nationwide and are advertised primarily over the Internet. FWS refuge managers in Alaska recognize that not everyone has access to the Internet, a human resource specialist with the agency told us. So managers mail job announcements to the tribal councils and post them in grocery stores or other places where local residents are most likely to see them. Recently, FWS has been developing a list of groups to which it e-mails job announcements. FWS surveyed the Native corporations to find out if they wanted to receive job announcements by e-mail and the affirmative response has been “overwhelming.” Some Native corporations keep resumes of Alaska Natives looking for jobs on file and may be able to get in touch with qualified applicants when jobs come up. However, most FWS positions filled under competitive hire have specific education requirements that limit how many applicants can qualify.

Employment

FWS is meeting its target for Native American hire in Alaska—based on national Native American labor force percentages—but the agency’s human resource specialist told us FWS would like to hire even more Alaska Natives, especially those who live near the refuges. The FWS also has a Native liaison, who attempts to resolve a wide range of concerns Alaska Natives have about FWS programs and policies. The liaison reported that
refuge managers in Alaska actively try to hire Native people. For example, in the Yukon Delta National Wildlife Refuge, an estimated 50 percent of employees were Native as of mid-1998.

The liaison also told us he has been encouraged by the actions of the current regional director, who strongly believes in the need to increase Alaska Native hire. FWS also has an internal “diversity group” that is drawing up a diversity plan. The liaison believes that if middle and top management at the agency embrace the plan, FWS will try to find ways of lowering barriers to Native employment.

As of March 1998 (the most recent figures available), FWS Native employment in Alaska was: 53 of 481—11 percent—of permanent employees were Alaska Native, and 6 of 75—8 percent—of temporary employees were Native. These March figures do not include summer seasonal hire.

**Impediments to Increasing Native Hire and Retention**

See the description of the EEOC formula, at the beginning of this discussion about federal agencies.

The liaison reported that while FWS Native employment already exceeds EEO targets, the agency continues to work toward increasing Native hire. He added that the current problem at FWS is not so much in the number of Alaska Natives employed but the levels at which they are employed. FWS focuses on employing new people in entry-level positions; the liaison thinks FWS could put more emphasis on hiring Native applicants for positions of authority, if they meet the job eligibility requirements.

The Native liaison offered as one of the reasons Alaska Natives are concentrated in the lower job levels is that many lack the education required for the upper levels. In particular, they lack degrees in biology and other natural resource fields. The liaison believes that for many mid- and upper-level management positions that currently require natural resource degrees, administrative or other degrees would suffice—as long as the manager had the necessary technical expertise. However, the liaison believes that in the long run education levels among Alaska Natives have to rise so they can qualify for higher-level jobs.

Another problem the Native liaison mentioned is that the limited number of Alaska Natives with degrees in the natural resource fields prefer to work for the state government or private industry, where they can earn higher salaries and have more chances for advancement. Overall, the liaison thinks FWS needs to do a better job of reaching out to Native young people and letting them know jobs are available. Also, the federal government in general could create educational incentives—by offering scholarships, for instance, or paying tuition costs for students who agree to work for a federal agency for a specific number of years.

**Analysis**

The EEO formula seems to work against increased hiring of Alaska Natives in FWS and other federal agencies—because it is based on a much smaller target than Alaska Natives make up in Alaska. Changing that formula may be unrealistic. Those in FWS concerned
about increasing Native hire have resorted to other approaches—more active recruiting and the creation of an internal monitoring group—to boost Native hire above EEO targets.

National Park Service

Background
The National Park Service (NPS) is another agency within the Department of the Interior that is allowed to hire locally for some jobs. ANILCA allows NPS to limit applicants for certain jobs just to residents of specific areas in or near national parks or preserves. Those jobs require some special knowledge of the local area; the agency decides which jobs it can likely fill through local hire. Each agency with local hire authority has somewhat different definitions of what constitutes a “local” resident. NPS, for example, usually considers only year-round residents (who have been residents for at least a year) from areas in or near national parks.

Local-hire positions are advertised just locally—not on the Internet. Job descriptions are posted in local job centers, community buildings, Native organizations—any place the local park supervisor thinks people are likely to see the notice. For example, if the Kobuk Valley National Park advertises a local-hire maintenance job in Kotzebue, local residents can submit an application to the local park service office in Kotzebue. A standard application form is no longer required. Applicants can describe relevant skills or education and work experience in whatever form they choose. Applicants can use a one-page form called a Knowledge, Skills, and Abilities (KSA) form to give the reviewers a better picture of their skills.

Applications are reviewed in the local park service office. A local administrator then draws up a list of qualified local applicants. (Veterans receive preference in federal hiring; however, service in the National Guard does not qualify, because it is considered a state agency.) Whoever will be supervising the employees interviews the candidates and makes the final decision. To ensure fairness, the hiring process is subsequently reviewed by the Anchorage NPS personnel office. Someone from that office signs the official appointment document. Although a locally hired employee receives the same benefits and pay as someone hired through the competitive process for the same kind of job, the local hire is what is called “excepted service.” That means local hires cannot transfer to a comparable job with NPS elsewhere.

The NPS also takes part in the Student Career Employment Program (described earlier), but few such student jobs are available.

Employment
NPS meets the federal EEO targets for Native American employment (again, because the share of Native Americans in the national labor force is so small), but Native Americans are underrepresented in the park ranger and biologist categories. The NPS personnel specialist in Anchorage reports the agency currently employs about 40 local hires in Alaska, in a variety of jobs including clerical, administrative, ranger, biologist, and information technician.
Official NPS figures for the Alaska region as of 7/15/98 were: 65 temporary and permanent Alaska Native/American Indian—or 7.5 percent of the 865 NPS employees in Alaska. Among just the 396 permanent NPS employees, 32—or 8.2 percent—are Alaska Native/American Indian.

**Impediments to Increasing Native Hire and Retention**

As noted, the problem is that Alaska Natives tend to be under-represented in certain higher-level positions, particularly park ranger and biologist. This may be similar to the problem raised earlier in the description of the Fish and Wildlife Service: qualifications for higher positions usually include university degrees in relevant fields.

**Analysis**

Although NPS cannot, under EEO rules, target Alaska Natives to hire, the local-hire provisions increase the likelihood that Natives will be hired. This raises a question: who is monitoring local hiring? Again, if local NPS administrators are aware that their hiring practices are being monitored, they are likely to attend more to the wishes of local residents.

**Bureau of Land Management**

**Background**

The Bureau of Land Management (BLM) is the third federal land-management agency in Alaska with local hire authority for jobs that require special local knowledge. Such jobs include, for example, outdoor recreation planner and land surveyor. Most BLM jobs are, however, not local hire but competitive hire and are advertised nationally over the Internet. BLM recruiters also mail some job announcements directly to rural communities and to Native corporations. Since 1996, BLM has also had a Native liaison who works with Native communities and helps promote Native hire.

**Employment**

The total BLM workforce in Alaska in mid-1998 was 783. Of that total, 38 jobs—or 4.8 percent—were held by Alaska Natives or American Indians. These 38 positions were split pretty evenly between men and women.

BLM also creates a significant number of seasonal jobs for rural Natives through the Alaska Fire Service (AFS), which annually trains and supports 44 interagency Emergency Fire Fighter crews to fight wildfires in the northern half of Alaska. (The state government is responsible for training crews for the southern half of the state; the Emergency Fire Fighter program is described in more detail on page III-16 of this chapter.) BLM send recruiting teams to Native villages and reports that the AFS fire fighting crews are predominantly rural Alaska Natives. During the 1998 fire season (essentially about 90 days), the payroll for AFS fire fighting crews was more than $1.8 million. BLM’s Native liaison also reports that Alaska Natives initially hired for fire fighting crews have the opportunity to move on to more skilled fire-fighting jobs—for instance, smoke jumpers (who parachute into wildfires), fire suppression specialists, and dispatchers.
The BLM also creates some seasonal jobs for rural Natives through land survey contracts. The agency is responsible for surveying 150 million acres in Alaska, including the 44 million acres which are being transferred to Native corporations under terms of the 1971 Alaska Native Claims Settlement Act. Since 1987, the BLM has had the authority to issue land survey contracts under terms of the federal Indian Self-Determination Act (ISDA). Programs that benefit Indian tribes are eligible for contracting under the act.

BLM can contract with any Native organizations affiliated with tribes—including tribal organizations and Native corporations. Under such contracts, a BLM registered surveyor is responsible for technical aspects of the work; the contracting tribal organization then typically hires one professional land surveyor and local Native residents for the survey crew. Through 1998, BLM had issued 45 ISDA land survey contracts totaling $25.5 million.

BLM is also working to recruit Alaska Natives through two student programs, according to the Native liaison. The agency recruits minorities, including Alaska Natives, for the Student Career Employment Program (described earlier). That program gives some students part-time work with BLM while they attend school and the chance for full-time jobs when they graduate. The agency also administers the Resource Apprenticeship Program for Students. This is an interagency program BLM created in 1987 to help Alaska Native students interested in earning college degrees in resource fields. The program helps students in various ways—tracking down scholarship information, helping students apply for financial aid, and keeping students informed about job opportunities in resource management agencies.

**Impediments to Increasing Native Hire and Retention**

Native hire for permanent, year-round BLM jobs is hampered by some of the same problems other federal agencies face. Aside from the limited number of jobs opened under local hire, BLM jobs have specific education requirements and are filled through national competitive hire. BLM reports that there are a limited number of qualified Native applicants with sufficient education in biological, natural resource, and survey fields. Another barrier BLM officials report is that most permanent jobs are in urban areas—and many rural Natives are reluctant to leave their villages to take those jobs. BLM officials hope that in the long run efforts like the Student Career Employment Program will boost Alaska Native hire.

**Analysis**

Although BLM has stepped up efforts at recruiting Alaska Natives and it has a Native liaison, the proportion of full-time BLM employees in Alaska who are Alaska Natives or Native Americans is still smaller than that of other agencies with local hire authority. However, at least part of that difference lies in the fact that BLM has fewer year-round jobs in rural areas than do the National Park Service or the Fish and Wildlife Service.
Minerals Management Service

Background
The Minerals Management Service (MMS) lost a lot of employees in Alaska during federal downsizing. According to the regional director, the agency was reduced from 200 employees to 80. As a consequence, for several years MMS did very little hiring. But the regional director now believes the agency has “turned the corner” on job cutbacks and may begin to have more openings. Unlike land-management agencies, MMS does not have local-hire authority. All its jobs must go through the national competitive hire process.

Responding to a request from the Special Assistant to the Secretary of the Interior in Alaska, MMS’s regional director recently established an informal diversity group, made up of EEO officers and personnel directors from Department of the Interior agencies. This group meets about every six weeks to talk about how to increase the numbers of Alaska Natives and other minorities working for Interior agencies.

The regional director believes that just establishing a group of agency people to discuss ways to increase Native hire is a step forward. To date, the most concrete activity of the group has been to represent the agencies at various job fairs. At those job fairs, MMS talks to people about the work it does, the skills required, and the prospects for particular jobs.

Impediments to Increasing Native Hire and Retention
In addition to lacking local-hire authority, MMS is also subject to “prohibited personnel practices,” according to MMS’s personnel director. Among those prohibited practices are targeting specific groups (like Alaska Natives) for hiring. Although the agency can try to encourage Alaska Natives or other minorities to apply, recruitment has to be general. Jobs are advertised over the Internet. As an example of the difficulties the agency faces in trying to hire Alaska Natives, the personnel director described the agency’s attempt at one point to create a community liaison job. The agency discovered that such a position would be subject to the regular national competitive process.

In addition, according to the personnel director, most of MMS’s work requires levels of education that only a limited number of people have. Finally, MMS’s only Alaska office is located in Anchorage—thus requiring that permanent employees live there. But at the same time, the personnel director was encouraged by the efforts of MMS’s regional director to increase minority hiring.
Analysis
Because MMS lacks local hire authority, that agency and others like it may be less susceptible to pressure than those that can hire locally. This suggests that a differentiated strategy to pressure federal agencies may be necessary. Groups such as that assembled by the regional director for MMS may be valuable points to apply pressure. Monitoring the activities of such groups would send the message that their activities are important and are being watched.