(*b*) The royalty will be distributed in proportion to the final rolls, to three classes of recipients.

(1) All villages (corporations), 75%.

(2) All regional corporations, 20%.

(3) A statewide Native corporation, 5%.

(*c*) The United States is committed to develop the outer continental shelf.

3. The royalty should not be used for per capita distribution in cash, but should be available for family plan distribution, scholarships and other direct benefit to members until the corporation or regional corporation becomes a pure business corporation. There should be a limit on such distributions to avoid dissipation of the assets of the corporation.

4. The royalty shall not be a substitute for state or federal government programs now in being.

5. If Congress fails to enact the offshore royalty program, then a substitute will be provided, such as a program of compensation for lands reserved or disposed of to third persons.

If possible, such a substitute program should not involve a claims procedure in the Indian Claims Commission or the Court of Claims. However, if there is no other acceptable alternative, the following guidelines have been suggested:

(*a*) File in the Court of Claims.

(*b*) Each group may file its own claim.

(*c*) Each group may retain its own counsel.

(*d*) Valuation for compensation shall be determined by the times of taking, not 1867.

(*e*) As to reserved and withdrawn lands, the United States may release such areas within six months after filing of the claims case. If it does not do so, that shall be the date of taking.

6. As to the offshore royalty, $20,000,000 shall be provided by appropriation as in advance on royalties, to be repaid without interest from one-half of the actual royalties.

7. In computing the 25 year term, the following years are excluded:

(*a*) Any year in which no moneys are received.

(*b*) Any year in which less than $1,000,000 is received.

(*c*) Any year in which a portion of the proceeds goes to repay the advance royalty.

The effect of these exclusions is to guarantee receipt of at least $65,000,000, assuming there are revenues.

8. The royalty continues after 25 years, until modified or terminated by Congress.

State-granted royalties

1. The grant of royalties by the state to the Natives shall be by act of the Alaska Legislature granting a present property right in perpetuity.

2. The state act shall include the following:

(*a*) Paragraphs 3–4 under "Offshore Royalties" are applicable to this program also.

(*b*) The royalty shall include all proceeds received by the state from leases or other contracts on state selected lands executed after the effective date of the act, which would therefore exclude revenues from existing leaseholds and contracts and from lands finally disposed of to third parties before that date.

(*c*) The royalty rate shall be 5%.

(*d*) The royalty shall be distributed in the same manner as the outer continental shelf royalties.

(*e*) The royalty shall extend to tide and submerged lands granted the state in the Statehood Act.

(*f*) The royalty does not extend to proceeds received by the state from federal leases, e.g., the 90% share received under the Statehood Act.

Surface rights

1. The existence of Native use and occupancy of lands should be recognized and may continue.

2. The surface use provisions of Secretary Udall's bill should be adapted to our proposal. The period should be lengthened to 100 years.

3. The right of surface use shall be terminable by act of the executive.

4. On the question of compensation for termination of surface rights, because of the desire to avoid litigation, compensation will not be necessary if a satisfactory overall settlement is reached.