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Yellowtail Dam, Hardin Unit, Missouri River Basin Project

Mike Mansfield 1903-2001
February 2, 1956

Hon. Douglas McKay
Secretary of the Interior
Department of the Interior
Washington, D.C.

Dear Mr. Secretary:

Please refer to previous correspondence, Committee Prints, hearings, and other material concerning a settlement with the Crow Indian Tribe in Montana for necessary rights of way so as to expedite construction of Yellowtail Dam, Hardin Unit, Missouri River Basin Project.

After full consideration of all factors, including precedents, we propose that the Crow Tribal Council's offer of $5,000,000 in connection with the right-of-way be accepted. This course will be implemented promptly by the introduction of appropriate legislation authorizing appropriation of that amount in accordance with a Tribal Council's Resolution 63 (Part I) adopted January 11, 1956. The Council has agreed to consent to the transfer of the necessary land to the United States for use in connection with the construction and operation of Yellowtail Dam and Reservoir.

Our contacts by correspondence and at conferences have been with Under Secretary Davis, Commissioner Dorenreiner, and other members of your staff who have been most cooperative. Presumably they have kept you advised. You, as Secretary of the Interior, have telegraphed and written to the Crow Indian Tribal Council, setting forth certain views of the Department of the Interior with respect to this matter.

Since the decision of the Supreme Court on January 23, 1956 in the case of United States v. Twin City Power Company, with respect to the power-site values in connection with condemnation proceedings and recent action of the Crow Tribal Council in Montana, we have re-examined the situation that has been discussed here, as well as by the Crow Tribal Council in Montana. In this connection, our attention has been called to the precedent established in the 1930's, with which the Federal Power Commission to the Montana Power Company, authorizing the construction of Kerr Dam on the Flathead River in Montana. The circumstances leading up to the requirement of adequate compensation to the Flathead Indian Tribe for rights of way in connection with Kerr Dam have been brought to our attention.

The records, we believe you will find, show that the Secretary of the Interior required and the Federal Power Commission approved approval in the license to the Montana Power Company under which the licensee agreed to compensate the Flathead Indian Tribe for power-site values in connection with the right of way required for Kerr Dam and Reservoir. The Montana Power Company accepted this condition and agreed that, over a period of approximately 20 years, payments in the amount of $2,932,000 would be made to the Flathead Indian Tribe as compensation for the use of the land for that power development. It is our understanding that at the end of the 20 years the Montana Power Company is required to renew the agreement for compensation to the Flathead Indians at a rate of payment to be approved by the Secretary of the Interior and the Federal Power Commission.