

# Hoopa Valley Indian Reservation, Humboldt County, California

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## NEAI Projects\*

Year	Applicant	Project	Funding Sources	Amount
1994	Office of Research and Development	Capacity-Building	Economic Development Administration (EDA)	\$20,000
1995	Office of Research and Development	Technical Assistance	EDA	59,235
1997	Office of Research and Development	Capacity-Building	EDA	70,000
1997	Office of Research and Development	Capacity-Building	USDA Rural Development, Rural Business Enterprise Grant (RBEG)	35,000
1998	Office of Research and Development	Capacity-Building	USDA Rural Development, (RBEG)	49,670
1999	Office of Research and Development	Technical Assistance	EDA	70,000
2000	Office of Research and Development	Bizwork & Visitor Center Business Plan	EDA	65,000
1994	Hoopa Tribal Forestry	Mill Creek and Bull Creek restoration	Jobs-in-the-Woods (JITW), Bureau of Indian Affairs (BIA)	300,000
1995	Hoopa Tribal Forestry	Tish Tang and Pine Creek restoration	JITW (BIA)	311,329
1996	Hoopa Tribal Forestry	Supply Creek watershed assessment	JITW (BIA)	84,221
1998	Hoopa Tribal Forestry	Supply Creek watershed assessment	JITW (BIA)	238,340
1999	Hoopa Tribal Forestry	Monitoring Project	JITW (BIA)	150,000
1994	Hoopa Tribal Fisheries	Integrated Resource Management Plan	Forest Service (with WWF)	180,254
1997	Office of Research and Development	Watchable Wildlife Guide	Forest Service	58,132
1998	Loan Department	Hoopa Valley Tribal Council Revolving Loan Fund	USDA-Rural Development	105,000
1998	ORAD – Hupa Language, Culture and Education Program	Collecting, Preserving and Sharing Our Past	Forest Service	29,804
1998	Tsemeta Nursery	Native Seed and Medicinals Drying and Processing	Forest Service	45,465

\* Project funding reflects initial loan and grant totals. Final funding amounts may be different.

## Background Context

The Hoopa Valley Indian Reservation is comprised of the “Hoopa Square,” an approximately 12 square mile block that contains 87,000 acres of land, of which approximately 75,000 acres are commercial timberland. The Hoopa Square is located in the northeast corner of Humboldt County. Its northern boundary is just south of the confluence of the Trinity and Klamath Rivers at Weitchpec. Its southern boundary is roughly eight miles north of Willow Creek on Hwy 96. Willow Creek lies astride State Highway 299, the primary northern California route linking the coast with the central valley and Highway 5 corridor. The square is bisected in a north-south fashion by both the Trinity River and State Highway 96. Other than the valley formed by the Trinity River floodplain, the reservation is comprised of the relatively steep but highly productive forested slopes of the interior coast range.

The Hoopa Valley Indian Reservation is somewhat isolated. The nearest moderately large towns are Eureka and Arcata, approximately a one-hour drive from Hoopa, west on State Highway 299. Redding, a much larger commercial center, is about two and a quarter hours east of Hoopa via State Highway 299. Eureka and Arcata are within commuting distance of Hoopa, while Redding is the preferred destination for medical treatment and shopping. There is one commercial retail center on the reservation, known as “downtown.” It consists of a supermarket, gas station, restaurant, the Tsewenaldin Inn and Lucky Bear Casino, Hoopa Museum, a bank, and a few other retail establishments. Located just south of downtown are the Tribal Offices and Departments, the elementary and high school, and a large and relatively new, state of the art fire station. On the other (east) side of the Trinity River and a little further south is the Tribally owned and managed hospital and medical center and an airstrip. Almost all of the residences on the reservation are located on the valley floor.

There are 2,162 enrolled members in the Hoopa Valley Tribe. Approximately 1,500 tribal members live on the Hoopa Valley Reservation, whose total population is 2,633 (Census 2000). Of the total reservation population, 2,230 or 84.7 percent are

American Indian (Census 2000). Non-tribal reservation residents are Yurok and Karuk Tribal members, members of other tribes, non-tribal member Native Americans, and non-Indians. The 2000 Census indicates that 403 reservation residents are non-Indian. Tribal members have priority in hiring in businesses located on the reservation and the Hoopa Valley Tribal government; some tribal employment-related services are only available to tribal members.

### Historical Background

The residents of Hoopa Valley, known as Hupa after the Yurok word for their territory, have inhabited the Hoopa Valley for thousands of years. Since the first Anglo incursions beginning in the mid-19th century, the valley’s residents have made extraordinary efforts to successfully defend their rights to live in the Hoopa Valley, to resist the attempts of outsiders to control and benefit from the valley’s resources, and to maintain the integrity of their cultural traditions and identity. These struggles for self-determination and autonomy equipped the Hupa with the skills, resources, and organizational capacities needed to be able to strategically avail themselves of the opportunities for support that the Northwest Economic Adjustment Initiative (NEAI) offered. As discussed below, these opportunities were strategically embraced by the Hoopa Valley Indian Tribe and used to support economic development in both public and private sectors, reinforce and strengthen tribal identity, reinvest in their forest ecosystem, and build community capacity. Reviewing the relevant historical context that preceded the NEAI provides a basis for understanding how and why the Tribe was able to participate in the NEAI process and provides insights into the limitations of the dominant NEAI approach to reservation economic development.

A key element in understanding the ability of the Hupa to successfully retain control of most of their ancestral territory, comprised of the Hoopa Valley and surrounding coast interior mountains, was the area’s isolation and the fact that the earliest trails and transportation routes in the region skirted the

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Hoopa Valley. Prior to the invasion of Anglo miners, agriculturalists, entrepreneurs, and others triggered by the discovery of gold in California in 1849, the primary contacts between Anglos and Hupa consisted of peaceful interactions with early explorers and trappers such as Jedediah Smith, who passed through the area in 1828. These contacts seem to have been brief and without lasting effect. The discovery of gold and the opening of the Trinity mines and the Klamath and Salmon river mines in 1849-50 dramatically transformed relations between American Indians of the region and Anglo outsiders. Fortunately for the Hupa, the supply lines for the Klamath and Salmon River mines lay to the north of the Hoopa Valley, through Yurok and Redwood Creek (Chilula) territory. Partly because of this, the Hupa were spared the brutal massacres and horrific genocide that eliminated the Wiyots of the Humboldt Bay area, and decimated the populations of neighboring groups such as the Yurok, Chilula, Mattole, and Sinkyone American Indians. Wherever American Indians either resisted Anglo incursions into their territory, or were simply in the way, the Anglo response was systematically brutal. For example, a northern California newspaper reported an incident in which Yurok villages at Weitchpec were attacked in retaliation for disrupting miners' supply trains and because they wanted to continue to erect fishing weirs in the following chilling way:

The Indians are hostile at the forks of the Klamath and Trinity and it has been found necessary to administer to them the same rebuke we did to those on the coast. Some 50 or 60 Indians were killed and three villages burned. Effect good. (*Alta California* 8/20/1850. Cited in Fredrickson 1982:48).

Early miners and settlers may also have purposively avoided the Hoopa Valley because of rumors concerning Hupa military strength and prowess.

In response to the growing violence that came to be referred to as the Indian Wars, the U.S. Congress sent Commissioner Redick McKee to the area in 1851 to establish treaties with American Indian groups of the area that would "protect" and "domesticate" them through the creation of reservations. McKee negotiated 18 treaties in the region, including one with representatives of the Hupa, Yurok, and Karuk groups. However, none of the treaties was ratified by Congress, who rejected all of them in 1852, partly in response to public opinion that too much valuable land would be locked up by the reservation system (Fredrickson 1982). The Anglo settlers of the region opposed the establishment of reservations because it reserved land from potential settlement. Their desire was for the indigenous inhabitants to be either removed or exterminated to free up valuable resources for the Anglo influx to exploit (Huntsinger 1994:13).

In the early 1850s, white settlers began to establish homesteads and farm in the Hoopa Valley. The 1860 Agricultural Census recorded 25 Anglo farmsteads and 45 Anglo households in the valley. These early settlers were fearful of possible Hupa attacks, especially as the regional violence escalated. Their fears were founded on the knowledge that many Hupa men were well armed, having acquired arms and munitions from miners and traders (Fredrickson 1982:59). Throughout this period, the Hupa staunchly resisted attempts to relocate them outside of their ancestral homelands. They successfully resisted the attempts by soldiers to relocate them to the Klamath Reservation that had been established by Executive Order in 1855.<sup>1</sup> Realizing the futility of evicting the Hupa from their home, and seeking to secure protection and their land claims, in 1858 settlers successfully petitioned the federal government to establish Fort Gaston in the Hoopa Valley. There followed several years of armed conflict, including the burning of villages and other scorched earth tactics, with various Hupa villages; in some instances other Hupa villages bought peace by agreeing to lead soldiers to find "hostile" factions and clans. Hupa opposition to forced removal culminated in 1863 and

1. Fort Terwer was constructed to protect and provide for the Klamath Reservation American Indians. However, in the winter of 1861-62 a flood destroyed the fort. Administration of the reservation was then transferred to Fort Gaston on the Hoopa Reservation. Anglo settlers claimed that the flood had forced the federal government to abandon the reservation and they attempted to settle and file claims within the Klamath reservation boundaries (Huntsinger 1994).

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1864 with the successful resistance of Hupa fighters, based in the forest, against U.S. soldiers and their local guides. This resistance came to an end with the negotiation of the treaty of 1864 that established the Hoopa Valley Reservation (the reservation was not confirmed by Executive order until 1876). In February 1865, most white settlers in the valley were given 10 days notice to leave the valley. In 1866, the federal government compensated evicted settlers for the value of the investments, equipment, and other improvements that they had made; in 1867 “the last farm was turned over to the government” (Fredrickson 1982:64).

While the Hupa had fought and won their struggle against Anglo settlers and the federal government to remain in their valley, the costs of the struggle had been enormous. By 1864, the number of Hupa villages had been reduced from 11 to four. This was due to a combination of factors including consolidation for defensive purposes and population decline resulting from the combined effects of the slave trade in young boys and girls, war, disease, starvation, and migration due to fear of forced removal from the valley. By 1870, the estimated pre-contact Hupa population of 2000 had been reduced to 601, which was further reduced to 460 by 1887 (Fredrickson 1982:96).

Having won the initial struggle to remain in the Hoopa Valley, in the following decades the Hupa endured systematic efforts by the federal government to stamp out Hupa culture and identity. The primary vehicles for these efforts were the Bureau of Indian Affairs’ (BIA) schools, to which Hupa children were forcibly taken and taught to disdain their own ways and adopt those of the dominant culture. Some of these schools were as far away as Los Angeles and Oklahoma (Norton 1979:113). Additionally, most BIA agents tried to ban the ceremonial dances central to Hupa culture and identity. Those Hupa who insisted on maintaining the Hupa way of life were punished by withholding their rations and supplies. In 1876, the Hupa also resisted the coercive attempts of the BIA agent to relocate them (with planned military support) to the Round Valley Reservation in what is now Mendocino County. While some Hupa sought safety by moving up into the forests, others planned violent resistance in response to this attempt to yet again remove them from their valley. Realizing

the violence that would ensue if relocation was forcibly implemented, the agent, J.L. Broaddus, eventually dropped the relocation plan. Conflicting authority for reservation management between the War and Interior Departments also resulted in widespread corruption and mismanagement of the reservation, its resources, and people. Encroachment onto reservation lands by miners, ranchers, and settlers was an ongoing threat and one to which the divided administration was unable to effectively respond. Commercial salmon fishing had begun on the lower Klamath by the 1880s and soon the large catches were reducing the numbers of salmon that made it upstream into the Trinity River. By 1877, “the agency had failed due to a history of mismanagement, incompetence, corruption, and prejudice on the part of the Indian agents and military officers posted on the reservation” (Nelson 1978:121). In order to begin to address some of these shortcomings, especially those related to inter-departmental disputes, administrative responsibility for the Hoopa Valley reservation was consolidated within the War Department in 1877 (Fredrickson 1982:73). Nelson (1978:117) notes that by the early 1880s agricultural production had dramatically increased and that basic needs for food, housing, and other supplies were being met.

The Dawes, or General Allotment Act was passed in 1887. Based on the assumption that individual land ownership would facilitate the assimilation of American Indians into the dominant culture, the Dawes Act authorized the allotment of 40 to 60-acre tracts of land to assigned heads of households and individual American Indians. For a 25 year period after the allotment was made, during which the federal government held title to the land in a trust patent, the individual allottee received fee simple ownership of the allotment. Far from achieving the hoped-for objective of assimilating American Indians into mainstream America, this act undermined the territorial integrity of many tribal groups and in many cases weakened, but did not destroy, their cultural integrity. As one commentator has noted:

The Dawes Act was one of the most important pieces of legislation in the late 19th century; it reduced the remaining Indian

landbase of 138 million acres to 52 million acres by 1933 [when it was repealed by the 1934 Indian Reorganization Act]. Praised by Eastern reformers as a philanthropic gesture to uplift Indians into Christian civilization as individual agricultural reformers, the Dawes Act, in actuality, was a chauvinistic attempt to destroy the landbase and culture of a people for the sake of the market economy....By the time the Dawes Act was officially abolished, many Native Americans had become, for reasons of fraud, cultural incompatibilities, and innate flaws of the act, marginalized and landless paupers (Roschmann 1991:2-3).

At Hoopa Valley the history of allotments is drawn out and complicated. While the first surveys were made in 1889 and allotments soon followed, the allotment process was not finalized until 1919 and allotment schedules were not finalized until 1922-23 (Norton 1973:1.104 [HVIR Comprehensive Plan]). The small amount of arable valley land, concerns regarding the accuracy of land surveys, and disputes over the allocation of individual allotments and the schedule of tribal members eligible for allotments significantly complicated the allotment process. The schedule of eligible allottees was subsequently used as the basis to determine the Hoopa Tribal Roll. Of great significance was the fact that tribal timber lands were reserved from allotment. After the allotments were made, many allottees farmed their allotments while the federal government held their trust patent. By 1899, government estimates suggested that as much as 95 percent of Hupa subsistence derived from agriculture, while only four percent came from hunting, fishing, and root gathering (Fredrickson 1982:80).

During the allotment period, issues of mining rights also rose in importance. From the establishment of the reservation in 1864 until 1895, non-Indians could not gain either land or mineral rights within the reservation. However, in 1895 a new policy was enacted that allowed non-Indians to patent mining claims on allotted lands, but not on unallotted tribal lands. In 1919, when many tribal allotments were finalized, the law was changed. Min-

ers were now restricted to unallotted tribal lands and could not patent mining claims on allotted lands. By restricting mining activity to ownerships on which individual tribal members did not have the authority to restrict mining activity, "it appears that the government sidestepped the desires of the Indians regarding non-native mining with the 1919 law" (Fredrickson 1982:83). Mining became a controversial issue during the 1920s and 1930s. Many Hupa wanted to protect tribal mineral resources until such time as they had the infrastructure necessary for mineral extraction. Indeed, one of the first actions taken by the Tribal Business Council when it was reinstated in 1933 was to refuse a non-Indian mining lease. The outraged lease applicant refused to accept the Tribal Business Council's authority in the matter. However, the Tribal Council, supported by the BIA superintendent, prevailed in this matter. The following year the Tribe withdrew all of the valley floor, as well as portions of Mill Creek, from mining leases to outsiders. These events marked an important step in the gradual process of the Hoopa Valley Indian Tribe's progress towards asserting their rights of self-governance.

The institutional structures through which the Hupa gradually strengthened their autonomy, sovereignty, and self-governance evolved gradually throughout the 20<sup>th</sup> century. The first formal Hoopa Valley Tribal Council was created through elections in 1911 at the instigation of the BIA superintendent (Roschmann 1991:114). The early council activities focused on maintenance and construction of reservation infrastructure and the council's activities provided early opportunities for familiarizing members with governmental processes. The council also worked on the allotment issue by pressuring both the Superintendent and Washington officials to resolve pending questions and finalize the allotments. However, as Roschmann notes, the Council possessed relatively limited power and autonomy, "self-government took place only to the degree that ....Hupas did not undermine the status quo....the council's real purpose was to relieve the Superintendent of a 'great number of small matters,' not to institute a self-governing political body competing with the agent's authority" (1991:118). This statement is borne out by the fact that the council was abolished by 1927,

after finalization of the allotments in 1922 and 1923 and after Hupa became U.S. citizens in 1924. The council was abolished because, as outgoing Superintendent Keeley stated in 1930, “tribal councils are the biggest source of agitation of anything in the Indian Service. They are usually made up of the hand picked agitators, and for the most part, the ones who can not, or will not, work or do anything for themselves” (cited in Roschmann 1991:118).

Throughout the 1920s, an informal “council of the people,” some of whom were members of the earlier formal council, continued to meet and press for political self-determination and economic self-sufficiency. In interviews with Joachim Roschmann, David Risling Sr. described how this informal group “educated their tribal members about civil and legal rights” and rejected BIA authority over Hupa affairs. Many of these council members were elected to the 1933 Bureau-approved seven-member Hoopa Business Council. Support for tribal councils had been growing throughout the 1920s as reformers such as John Collier, Commissioner of Indian Affairs for the new Roosevelt Administration, publicized the disastrous effects of the Dawes Act and called for greater American Indian autonomy and self-governance through the creation of tribal councils that demonstrated principles of indirect rule.

As with other colonial examples of indirect rule, tribal council authority stopped far short of true self-governance. The Secretary of the Interior reserved the right to approve tribal constitutions, bylaws, and other tribal decisions, particularly those relating to land use and resource exploitation. As Roschmann notes, “the constitution and bylaws did not establish self-government and did send the Hupas on their way to a nation-to-nation status with the federal government; it did not give the tribe the power to furnish each member with allotments, nor did it allow the Hupas to select their own attorney representation” in the claims court (1991:124). As a sign of protest against the limited authority granted the tribal council, most of the 1933 Business Council members chose not to run in the 1935 election.

In a related move, the tribe, in a referendum held in 1934, voted 174 to eight to reject the 1934 Indian Reorganization Act (IRA), which repealed the

Dawes Act (and the allotment system) and contained several provisions to support education, economic development, and tribal self-governance. The resounding rejection of the IRA was out of step with most Indian Tribes who stood to benefit from its provisions. Roschmann explains this apparent anomaly by arguing that the Hupa people desired the secure fee simple land titles the Dawes Act provided because it assured them against possible future federal efforts to dissolve the reservation. Within a historical context of repeated efforts to move Hupa out of Hoopa Valley, owning a plot of reservation land seemed a secure way to cement their claims to the valley. Other reasons included the rejection of the limited self-governance provisions of the IRA that fell short of government-to-government relations and concerns that accepting the IRA would possibly weaken Hupa claims based on the unratified 1851 and related treaties. Seen in this light the anomalous rejection of the IRA by the Hupa was entirely consistent with Hupa efforts to strengthen their self-determination and self-governing capacities. Hupa had strategically employed provisions of the Dawes Act to secure their land ownership claims. Meanwhile the Tribal Business Council continued to assert its authority in arenas where it could, such as the use of tribal money in a revolving loan fund and “in local matters, such as inheritance claims, land disputes, the protection of fish and game, and the observance of tribal customs,”... “but in larger issues they found that the government would approve only those resolutions which echoed national policies” (Norton 1979:177).

The following years were marked by continuing efforts by the Hupa to advance their self-determination. In 1952, the Constitution and bylaws of the Hoopa Valley Tribe were approved by the Commissioner of Indian Affairs (Hostler 1967). In 1955, the Commissioner authorized per capita payments to Hoopa Valley Tribal members from revenues associated with the increased timber harvesting occurring on the Hoopa square under BIA management. Passage of Public Law 280 in 1953 transferred jurisdiction over many Indian lands as well as civil and criminal matter to the states and ushered in the “Termination Era” of federal Indian policy history. While termination policies had relatively little effect on the Hoopa

Valley Indian Tribe, this was a period of tremendous land loss by the downstream Klamath River-based Yuroks; many Yurok allottees took their allotments out of trust status and fee-patented (sold) them to loggers or logging companies (Huntsinger 1994: 27). The termination era came to an end in the 1960s and was replaced with a federal emphasis on Indian self-determination, including tribal authority for natural resources management. Principles of self-determination and self-governance were further advanced by the Indian Self-Determination and Education Act of 1975, which among other things, included provisions for tribal contracting for services that the BIA and other government services previously provided.

Throughout this period, and until passage of the 1988 Hoopa-Yurok Settlement Act, there existed significant unresolved issues concerning whether or not the Hoopa Reservation created in 1864, and its subsequent enlargement in 1891 to include the downstream Klamath Reservation and the connecting strip between the two, was a single integrated reservation and whether or not Yurok tribal members were entitled to a portion of the timber revenues generated by timber sales on the original Hoopa Valley Reservation (the “Square”). Legal action in 1963 brought by downstream Yurok tribal members who claimed a share of the revenues from the “Square,” was not resolved until the 1988 Hoopa-Yurok Settlement Act. Up until 1978, the BIA had used the Hoopa Valley Tribal Business Council to manage the tribal timber resources and profits, but in that year it took over the management of the assets from the timber management program and held them in trust for both groups until the passage of the 1988 Settlement Act. The act divided the trust account between the two tribes, partitioned the land into two distinct reservations, and mandated that the Yurok form their own tribal government (Huntsinger 1994:32). As part of the 1988 act, Congress also reaffirmed the 1952 Hoopa Valley Tribe constitution. Continuing efforts by the Hoopa Valley Indian Reservation to strengthen their self-determination and autonomy are reflected in their participation in the federal government’s Self-Governance Program and in continuing legal battles with powerful downstream irrigation dis-

tricts, such as Westlands Water District in southern San Joaquin Valley and hydroelectric water purveyors, over the control and use of the Trinity River. The latter is an especially important issue, given the high dependence of tribal members on salmon and steelhead runs in the Trinity River and the negative effects on those runs of water diversions to southern California.

### **Tribal Government**

The Tribal Council, organized initially in 1933 and re-constituted in 1955, consists of eight elected members with one elected tribal chair. Council terms are staggered and last two years; elections are held every year. The Council oversees several for-profit enterprises. These include the Hoopa Valley Aggregate Enterprise, Hoopa Forest Industries, Tsemeta Nursery, Tsewenaldin Inn Motel, Lucky Bear Casino, and the Union 76 service station. The Tribal governance and institutional infrastructure is extensive. It includes a Tribal Court, Tribal Police Department (the only tribal cross-deputized police department in California), Credit and Loan Department, Commerce Department, Tribal Forestry, Tribal Fisheries, Hoopa Valley Roads Department, Office of Research and Development, Tribal Environmental Protection Agency, Medical Center, Dental Clinic, Hupa Language, Culture and Education Program, and Housing, Human Services, and Public Utilities Department, among others.

The remarkable growth of the Hoopa Tribal Government, its enterprises, and departments, is emblematic of the successful efforts of the Hupa to strive for self-determination and to strengthen their capacity for exercising their sovereign rights. The extent of this development is striking. For example, in 1967 the Tribal Council had one employee—the Tribal secretary. By 1973, the Tribal construction company, campground, health and dental projects, housing authority, and the Tribal government planning and administration departments employed a total of 68 employees (Hoopa Valley Comprehensive Plan, 1973:1.601). By 2002, the Hoopa Valley Tribe had become the largest employer on the reservation, providing as much as 90 percent of the on-reservation jobs (approximately 400).

### **Key Issues**

A comprehensive discussion of the key issues the Hoopa Valley Indian Reservation faces is well beyond the scope of this case study. Many issues of direct relevance to the tribe are tangential to an assessment of NEAI effects. These include current involvement with the Department of Interior's management of the Indian Trust Fund, working with the California state legislature and government to develop government to government MOU's and operating agreements, and engagement with the Klamath-Trinity River riverbasin management process (including defending in-stream flows against appropriations from southern San Joaquin Valley water users and utility corporations). On-reservation issues of central importance to the tribe, but generally of peripheral importance to this assessment, include ongoing efforts to improve the quality and relevance of public education in the reservation schools administered by the Klamath-Trinity School District and working with younger tribal members to understand and address their needs and challenges. Other issues related to the ongoing governance of a sovereign entity include the provision of quality health and dental care, housing, public utilities, transportation systems, etc.

Key issues that relate more directly to the NEAI are 1) the dramatic drop in timber harvesting within a context of historical dependence on timber harvesting for employment and revenue generation; 2) the difficulty of economic diversification given the reservation's isolation, current workforce skills, and the developing status of business codes and regulations and court system; and 3) the high priority the tribe accords to maintaining and strengthening tribal self-governance and cultural integrity.

### **Declining Timber Harvests and Employment**

Timber harvesting and processing had been the mainstay of the reservation economy from the mid-1940s until the early 1980s. Despite an early timber inventory by a BIA forester in 1947 that suggested the timber base could support an annual allowable cut (AAC) of 15 million board feet (mmbf/year), actual harvest levels for the next 30 years were much higher. During the 1950s the AAC hovered around 35 mmbf; this was increased to 40 mmbf during the

1960s. After destructive floods in 1955, 1962, and 1964, salvage harvesting operations, supported by both the BIA and the Tribal Council, were authorized and the AAC increased to 60 mmbf. In the mid-1970s, information from continuous forest inventory blocks installed in 1971 lead to a revised AAC of 26 mmbf; however the Sacramento BIA office rejected this estimate and retained the 40 mmbf AAC. The reasons for this dramatic revision in the AAC were the high rate of salvage logging in prior years, cutting areas that exceeded the size specified in timber sale contracts, and inappropriate use of yield tables that overestimated growth and yield (Hoopa Valley Indian Reservation Forest Management Plan 1994: 168). Finally, in 1986 in response to further documentation of actual growth and yield of timber and reductions in timber harvest areas due to withdrawals or restrictions of commercial forest management, the Sacramento BIA office adopted a reduced AAC of 13.4 mmbf in their Interim Operating Plan, 1983-1992. This plan, however, was rejected by the Tribal Council in 1984. Since the 1988 Hoopa-Yurok Settlement Act, the Tribe has increased its control over forest management. By 1991, all aspects of the Hoopa Forestry Program were tribally managed; this includes timber sale layout, administration, scaling, wildland fire, silviculture, and forest development (Hoopa Valley Indian Reservation Forest Management Plan 1994:169). The current Forest Management Plan sets the AAC at 10.4 mmbf per year for the 1994-2003 period.

Throughout the 1950s, 60s, and 70s, logging and mill work provided the great majority of non-professional jobs for reservation residents. Although management and other supervisory positions were almost always held by non-local non-Indians, logging and mill work was the economic engine during this period. As a result of reductions in the AAC, by 1981, all five mills on the reservation had closed and employment opportunities in logging were reduced by 85 percent (HVIR Transportation Plan 1994:11).

The history of the rise and decline and stabilization of reservation timber harvest levels has several implications for current efforts to promote economic development. Firstly, timber harvest levels are more likely to drop than increase in the future. This means

that the timber industry, in the foreseeable future, will not be the primary economic engine that it was in prior decades. Thus economic diversification, while fraught with numerous challenges, is most likely the most promising approach for stimulating investment and economic growth. Secondly, the existing forest condition bears the mark of long-term disinvestment and liquidation of forest wealth. Based on analyses of regeneration survey data in the late 1980s, Hoopa Tribal Forestry concluded that approximately 10,000 acres of timberland had been captured by brush and hardwoods with little or no conifer stocking and that the conifers on more than 7,000 acres were being out-competed by brush. To remedy this situation, Hoopa Tribal Forestry is pursuing forest stand rehabilitation through manual release methods (the use of herbicides was banned by the Tribal Council in the late 70s). Thirdly, the reservation's timberland area is characterized by extremely dense road networks (in excess of 4.5 miles per square mile overall, and in some sensitive watersheds the density approaches 6 miles per square mile). These road networks constitute the primary source of sediment delivery to streams and the primary threat to aquatic ecosystems. Road restoration and rehabilitation is therefore another high priority for the Tribe. As discussed below, this constituted a key point of engagement between Hoopa Tribal Forestry and BIA NEAI project funding.

### **The Challenges of Economic Diversification**

Realizing the low probability that a single industry will ever replace the once-dominant timber industry, the Tribe has embarked on a multi-pronged strategy to promote diversified economic development. Recognizing the need for training and support services, the Tribe, through the Office of Research and Development, has developed a wide array of business support services. Also, in response to the de facto redlining by financial institutions of American Indians and the many obstacles to establishing a credit history, the Tribe has developed a revolving loan program to help meet the capitalization needs (large and small) of local entrepreneurs. NEAI projects have facilitated both of these efforts.

A second major undertaking to promote investment and diversified economic development is the

development of business codes and a tribal court system that is sanctioned by the Tribal Council. Key tribal members early on recognized that an essential element of a secure environment necessary to attract business investment, whether from tribal or non-tribal members, is a set of explicit codes that govern the functioning of private business enterprises on the reservation, that guarantee accountability, and that provide recourse in the event of a dispute. Accordingly, business and court codes were developed in the late 1990s and shared with other American Indian groups through the Northern California Indian Development Council. The relationship between the exercise of sovereignty, the development of the governance structures necessary for reservation economic development, and the extent to which NEAI programs and projects advanced such development are discussed in the "Patterns and Themes" section at the end of this case study.

### **Tribal Self-governance and Cultural Integrity**

The Hupa people's struggle to preserve their autonomy underlines the tremendous importance they attach to strengthening their own self-governance capacities in the interests of self-determination. Given the tenacity with which the Hoopa Valley Tribe resisted removal from their valley and later the assimilationist policies of the BIA and other agencies, and throughout continued to practice their traditional Jump, Brush, and Deer Dances, as well as other traditional cultural activities, it is also clear that cultural continuity and integrity is a high priority for the Tribe. The Tribe's involvement as one of 10 participating Indian Tribes in the 1986 Indian Self-Governance Program further underscores their efforts to achieve full and complete self-determination. These priorities play out in a variety of ways that also relate to the NEAI. Two examples include 1) the importance accorded to autonomy and independence with respect to tribal forest management and the cultural values, especially regarding non-timber forest products, incorporated within the current forest management plan, and 2) efforts to facilitate the continuity of tribal identity by supporting oral history projects and the inter-generational sharing of Hupa life ways.

## NEAI Programs and Projects

For decades the Hoopa Valley Tribal Government has worked to develop direct government-to-government relationships with the federal government. This has included the forging of close relations, based on the self-governing authority of the Hoopa Valley Indian Reservation, with federal agencies such as the Economic Development Administration, U.S. Forest Service, Bureau of Indian Affairs, and to a lesser extent, USDA Rural Development. In most cases, these relationships were well-developed before NEAI programs came into existence. These relationships facilitated communication between the tribe and agencies, including communication regarding potential grant opportunities. Additionally, prior to NEAI, tribal departments were already aware and taking advantage of opportunities for federal government support for various tribal endeavors. For example, the Office of Research and Development has long-subscribed to the Federal Grants Weekly as one way to find out about and apply for support. Indeed, the tribe's awareness of federal grants and programs was so high that in some cases they knew about new grants and programs before the respective agency's field representatives did.

One outcome of the ongoing working relationships between the Tribe and various federal agencies was the shared set of assumptions regarding the governmental autonomy of the tribe and the nature of the government-to-government relationship between them. Federal agencies and their representatives had developed protocols and institutional arrangements for negotiating inter-governmental relationships with the Tribe. In many cases, this included the implementation of grant and loan programs and various other forms of support such as technical assistance. By the same token, it also entailed legal battles with federal agencies over, for example, broken promises regarding Trinity River water flows that would be allowed to pass through Lewiston Dam and not diverted into the Central Valley Project for power generation and irrigation of the Westlands Water District in southern San Joaquin Valley, and the ongoing controversy over the Department of Interior's management of the Indian Trust Fund. In many respects, the Hoopa Valley Indi-

an Tribe, as with many other American Indian tribes, had to learn how to represent their sovereign interests and work effectively with the federal government to either defend or advance their interests—they were “plugged in” because they had to be. So, whether conflict or collaboration characterized the relationship, there was a diverse and strong set of government-to-government relationships between the tribe and the federal government that preceded NEAI.

In contrast to the well developed Tribal relations with the federal government, relations with state agencies and programs are relatively weak. They are generally not based on sovereign government-to-government protocols and agreements. In fact, the state government has resisted efforts to extend full sovereign status to tribes within the state, in part due to conflicts and unresolved issues surrounding Indian gaming. The combination of strong links with the federal government and weak links with the state government influenced the CERT process in several ways.

### **Community Economic Revitalization Team (CERT)**

There were several points of intersection between the state CERT team and Hupa and other Tribes' involvement with the CERT process. Initially, it appears that there was no American Indian representation on the state CERT team. Only after strong lobbying by Humboldt County Supervisor Anna Sparks, was an American Indian seat on the team designated. As Robert Hostler, Hupa CERT representative from 1994-1997 said, “they raised so much hell” that an American Indian representative had to be designated to participate in the monthly CERT meetings. The Hoopa, Yurok, and Karuk tribes had the most continuous presence and participation at the CERT meetings, although as Mr. Hostler recounted, their role was primarily one of observation and “to keep a foot in the door,” especially as they played little or no role in actually ranking and prioritizing project proposals. Yurok and Karuk participation in the CERT meetings may have been more sporadic than that of Hoopa, at least during Mr. Hostler's tenure as CERT representative.

Hoopa participation in the State CERT meetings facilitated peer learning between the Tribe and other participants in the CERT process. For example, the Executive Director of the Office of Research and Development enjoyed the sharing and learning from what other communities were doing that occurred at the CERT meetings. He noted in particular, a presentation made by Cathy Moxon from Humboldt County regarding the business incubator model being developed by the county in collaboration with the Arcata Economic Development Corporation. The model was compelling enough that the Hoopa Tribe's current business incubator plans draw on the model presented and discussed at the state CERT meeting. Participation in the CERT process also helped develop a regional network of practitioners that can draw on one another for support. While this regional approach to economic development still has a long way to go, for example with regards to marketing Humboldt county to non-local visitors (most glossy brochures highlight "redwoods, Victorians, and the bay" to the neglect of most of the rest of the county, including Hoopa), the Director feels that regional-scale marketing has great and presently underutilized potential.

Despite Hoopa participation in the state CERT process, overall engagement with CERT at county and state levels was minimal. During the initial years of the CERT program, the Hoopa Valley Indian Reservation submitted seven or eight proposals per year to be reviewed and ranked by the Humboldt County Option 9 Working Group (the group and functioning of which is described in the Appen

employment and training opportunities to American Indians in its primary service area; it also functions as a Community Action Agency and is a Community Services Administration Indian grantee. Given this broad array of social service functions, the NCIDC was a logical organization in which to house the coordinator position.

As with other CERT community coordinator positions, the community coordinator's responsibilities consisted primarily of finding ways to link American Indian groups with the CERT process and opportunities. This was no small challenge given that there are 36 tribes in the north state, of which 33 are "real active." Information dissemination was one of the many tasks associated with the position. Meeting notices, the development of an electronic bulletin board, distributing information on how to apply for a CERT grant, and holding meetings were some of the ways the coordinator outreached to north state American Indian tribes. The coordinator paid particular attention to groups faced with funding and other capacity constraints, those groups, as he said, "struggling to keep the lights on and the doors open." Through field trips and other means, Mr. Taylor facilitated relationship-building between federal agencies such as the Forest Service and the Economic Development Administration and low-capacity tribes. These agencies had excellent follow-up and in many cases grants and program opportunities (especially funds for economic development planning) were made available to tribes, e.g. Table Bluff, Round Valley, and Bear River Reservations, with whom there had been little or no prior tribe-agency relationship. As a reflection of this extension and outreach work, the amount of CERT financial support to American Indian groups increased dramatically during the mid to late 90s, from approximately \$100,000 to as high as \$1,000,000. A primary benefit of tribal involvement with the CERT process in northern California is that it enabled several tribes, especially some of the smaller ones, to strengthen their own economic planning capacities and to use those capacities to advance their own economic development. As Mr. Taylor stated, this is an essential component of developing strategies for increasing economic opportunities, especially for people currently on welfare or other forms of state

assistance. By increasing coordination between and among state and federal agencies and tribes, the CERT process also provided a vehicle for high capacity tribes, such as Hoopa, to share with other tribes relevant insights, lessons, and institutional development. The example of the Hoopa business and court codes developed by Mr. Daniel Jordan, Hoopa Valley Tribe Self-Governance Coordinator and Director, Department of Commerce, is a case in point.

The American Indian Community Coordinator also played a key role in facilitating the dissemination of the important work that Daniel Jordan had been doing at Hoopa on the development of tribal business and court codes. Mr. Taylor emphasizes the necessity of having a separation of powers within tribal government between the council, law enforcement, and the court system as a prerequisite for decision making accountability and effective conflict resolution capacities, both of which, he argues, are necessary preconditions for sustainable economic development, especially private business ventures that entail non-tribal entrepreneurs and capital. He noted the crucial role of the legal and institutional infrastructure that Mr. Jordan has been developing at Hoopa in achieving this separation of power within tribal governance structures, and suggested that Mr. Jordan's work was at the leading edge of national efforts to develop these forms of tribal infrastructure. The CERT process, involving the position and responsibilities of the American Indian Community Coordinator, has played an important role in helping to share the pioneering work being done at Hoopa on business and court codes with other interested tribal entities. Complete copies of the Hoopa Uniform Business Codes and Court System are provided courtesy of the Hoopa Tribe on the NCIDC's website. Mr. Taylor has been surprised and heartened by the number of hits received by the site and by the number of other tribes he knows that have adopted all or portions of the codes developed by the Hoopa Tribe; these include tribes in other states as well as in California.

From the perspective of American Indian sovereignty, the importance, indeed the necessity, of autonomous tribal law enforcement, judiciary, and executive institutions for sustainable economic de-

velopment is clear. However, if the principle of tribal sovereignty is not embraced, then it becomes less clear why such institutions need to be developed as a prerequisite to economic development; some would argue that analogous state and/or federal institutions could provide the certainty, conflict resolution capacity, and accountability required for economic development. This, apparently, is the view of some of the state and federal agencies involved in the CERT process. As described by the American Indian Community Coordinator, this has resulted in some degree of resistance or lack of support for efforts to support such tribal governance structure development. As he put it, “some federal and state level folks didn’t get how court development had anything to do with economic development.” While an extended discussion of this issue is beyond the scope of this case study, it is clear that NEAI support for projects on tribal lands is in many respects entirely different from NEAI involvement in non-tribal communities, and yet the nature and importance of those differences was underestimated by some of the state and federal agencies involved in the CERT process. To help address some of these issues, the Native American Community Coordinator developed and led cultural awareness trainings for the Forest Service and the BLM, as well as some state agencies. He has also developed and taught a certified eight hour course on cultural awareness training for police departments.

As part of his efforts to close the gap between northern California tribes and federal and state agencies involved in the CERT process, Mr. Taylor organized two economic development summits during the last three years. The purpose of these summits was to bring federal and state agencies together with tribes “to hear Indian issues.” These summits, supported by the Forest Service and EDD, have been effective vehicles to bring together key agency people with tribal leadership. One was held in Eureka, the other in Sacramento. In both cases, key individuals from Hoopa, such as Daniel Jordan and former Tribal Chair Duane Sherman, played pivotal organizational and leadership roles that helped make these summits successful. These individuals made significant commitments to play leadership roles in the summits. They met extensively with the Com-

munity Coordinator to help plan the summits and their leadership played a crucial role in helping to get the participation of other California tribes. Without Hoopa’s involvement, other tribes, based on past experiences with state and federal government agencies, would no doubt have been reluctant to meet with federal and state agencies. However, the support of the Hoopa Valley Indian Tribe lent the summits credibility they otherwise would have lacked. The result is that tribal representation was excellent at both summits. Additionally, the Forest Service was able to make arrangements to subsidize the participation of tribes whose limited financial resources would have otherwise precluded them from attending.

Hoopa engagement with the CERT process was conditioned by the fact that the Hoopa Valley Tribe is a high capacity, sovereign entity with diverse and strong relations with the federal government that predate the Northwest Economic Adjustment Initiative and the CERT process. This goes a long way in accounting for the relatively minimal involvement of the tribe in the CERT process (especially at the county and state level) and the fact that most CERT projects were developed directly between the tribal entities and federal agencies. On the one hand, the tribe’s limited involvement with the state CERT process probably meant that the full potential of learning from other communities’ experiences with CERT (as with the business incubator example from Humboldt County) was not realized. However, on the other hand, Hoopa’s high capacity enabled it to play an important leadership role with respect to northern California Native American involvement in CERT, as facilitated by the Northern California Indian Development Council and the work of the American Indian Community Coordinator. Especially important in this regard are the tribe’s cutting edge work on developing business and court codes and its participation in the NCIDC-sponsored economic summits for northern California tribes.

### **NEAI Projects**

The Office of Research and Development and the Forestry Division of the Natural Resources Department received the majority of NEAI project support. Other NEAI-funded projects include

a grant made to the Hoopa Valley Tribal Council Revolving Loan Fund, an oral history project administered by the Hupa Language, Culture, and Education Program, and a grant to the Tsemeta Nursery to promote native seed and medicinal herb drying and processing.

### **Office of Research and Development**

The Office of Research and Development (until 1995 known as the Planning, Research, and Development Division) is responsible for planning and coordination of economic development activities. Its purpose is to stimulate private and public investments that provide employment and economic growth opportunities. All but two of the NEAI grants received by the Office of Research and Development came from the Economic Development Administration. In fact, the CERT process enabled the reestablishment of a historical relationship between the Tribe and the Economic Development Administration. During the 1970s and early 80s, the Economic Development Administration had provided the Tribe annual non-competitive planning grants. This ceased in the mid-1980s for a variety of reasons. The CERT process provided an institutional vehicle for re-initiating a relationship between the Tribe and the Economic Development Administration. After the Economic Development Administration made what amounted to a block grant to the California Indian Assistance Program, which focused on helping tribes develop competitive economic development strategies, it began making grants directly to individual tribes through the CERT process, including to the Hoopa Valley Tribe.

#### *Economic Development Planning Grants*

The first two planning grants, made in 1994 and 1995, were economic development planning grants. The 1994 planning grant in the amount of \$20,000 funded the development of a revised economic development plan. The plan, the goal of which was to “pursue development on the reservation which reduces the Tribe’s dependency on its timber resources and which produces jobs that pay decent wages for Tribal members,” identified a number of economic development project ideas. Five priority areas were selected:

industrial park development, land acquisition for “downtown” business development, an incubator business complex, an aggregate/gravel business, and agricultural development.

The 1995 planning grant in the amount of \$60,000 enabled further examination of some of these priority areas. This included contracting for the development of a feasibility study and a business and strategic plan for the proposed Hoopa Valley Aggregate Enterprise. After obtaining financing later that year, the Aggregate Enterprise was able to lease equipment and begin operation. It is still in operation. Using Economic Development Administration funds funneled through the California Indian Assistance Program, the Tribe contracted with a private consultant to prepare a feasibility study of the proposed industrial park in 1996. Based on this study, it was decided to not pursue development of an industrial park. One of the reasons for deciding not to pursue development of an industrial park was the lack of a tribal business code. As discussed above, the Tribe subsequently has developed a Comprehensive Business Policy Code, which has been used as a model by other Native American groups.

The 1995 planning grant also enabled the Tribe to develop a feasibility study of a log sort yard for value-added wood processing and a small mill. This was planned to take advantage of the Tribe’s status as a SmartWood certified forest manager. While the log sort yard and mill has not been developed, there currently are efforts to develop value-added processing facilities for the Tribe’s certified hardwood resource. Lastly, the 1995 planning grant enabled the Tribe to contract with Applied Development Economics to conduct a market-based analysis of the local economy. The resulting strategic economic development plan did contain some culturally inappropriate suggestions, such as recommending bear and deer hunting for non-tribal members as a revenue generating mechanism. However, other aspects of the report, such as emphasizing the need for developing small-scale private sector entrepreneurial enterprises and reducing the extent of public sector investment and enterprise on the reservation, were well received and have guided subsequent economic development planning efforts.

*Business Service Center*

A 1997 Economic Development Administration grant in the amount of \$70,000 enabled the Office of Research and Development to establish a Business Service Center. The purpose of the Business Service Center is to provide a variety of support services for individuals wishing to start or expand private businesses on the reservation. Recognizing the need for expanding the private sector of the reservation economy because the vast majority of jobs are currently provided by the Tribe, the Business Service Center seeks to provide individuals with the support, services, and skills necessary to successfully start and maintain a business. Workshops sponsored by the Oregon Native American Business Entrepreneurial Network (ONABEN), concerning the challenges and obstacles facing Native American entrepreneurs, were instrumental in the initial formulation of the Business Service Center idea. The relationship with ONABEN has been formalized through the signing of a Memorandum of Understanding between it and the Business Service Center. The Memorandum of Understanding enables the Business Service Center to become part of ONABEN's network of Tribal Business Service Centers and to participate in ONABEN's Business Directory. The Business Service Center recognizes that managing a successful business requires a person to excel at a diverse repertoire of activities such as sales, marketing, bookkeeping, interpersonal relations, etc. While many people may excel at one or more of these skill sets, few excel at all of them. Thus an important role for Business Service Center is to provide the services for those skills that individuals may lack or help individuals develop their capacity in those areas.

Since its inception, the Business Service Center has been staffed by one or two full-time individuals with business administration and management degrees. The Business Service Center, housed in the Office of Research and Development, offers a variety of services for prospective and current business entrepreneurs. For prospective entrepreneurs this includes aptitude tests to help determine the likelihood that an individual will succeed at being an entrepreneur and to identify areas of probable strength and weakness with respect to business management. For current

entrepreneurs, the Service Center offers a variety of services through workshops and personal training. These workshops and trainings help entrepreneurs identify and arrange credit and loans, and provide opportunities for individuals to increase their skills in different aspects of business management, such as bookkeeping and accounts, sales, inventory management, marketing, and the like. Approximately 20-25 prospective entrepreneurs go through the Business Service Center annually. Of this number, the Center staff is able to encourage four to six individuals to actually become entrepreneurs while the remainder subsequently realize that they are more suited for other forms of work or employment.

After its inception in 1997, subsequent Economic Development Administration grants provided in 1999 (\$70,000) and 2000 (\$65,000) have enabled the Business Service Center to remain in operation. Additionally, in 1998, USDA Rural Development provided a Rural Business Enterprise Grant in the amount of \$50,000 to support the Business Service Center. This grant enabled the Center to provide direct business counseling services to small and emerging businesses on the Reservation. Consistent with the priorities and needs identified in a 1996 Business Survey Report done for the Tribe, the Center focused its activities on providing technical assistance necessary to help local businesses realize their expansion plans and other ideas for business enhancement.

The fiscal year 2000 Economic Development Administration grant was designed to support the Business Service Center and also to fund the development of a feasibility study and business plan for a joint business incubator and visitor center. Through interactions with other CERT participants, the Director had become aware of the success of other business incubators, such as those sponsored by the Arcata Economic Development Corporation, particularly the one known as Food Works. Intrigued by the success of other incubators, the Office of Research and Development, with the support of the Tribal Council and the Economic Development Administration, is exploring the potential for developing a joint business incubator and visitor center. The feasibility study is comparing the relative advan-

tages of different facility options (renovating existing buildings or new construction). Consistent with the 1998 Overall Economic Development Plan's recommendations that base industries, i.e. those activities with which people are already engaged, should be supported, the incubator would provide the facilities and skills necessary for people to expand their nascent businesses into more profitable, efficient, and successful enterprises. The proposed incubator would provide floor space for new and emerging businesses. It would help local artisans, for example by providing floorspace, kilns, metalwork facilities, and woodworking equipment. It would also facilitate the development of food processing businesses, such as a cannery, through the provision of a commercial kitchen and other services. It is anticipated that bookkeeping and other services would be provided as part of the incubator's mandate.

The business incubator would be integrated both with the proposed visitor center and with the Business Service Center. Visitors would be able to watch artisans at work and would simultaneously constitute an on-site retail market. The Business Service Center would continue to offer the services that it presently provides and its effectiveness would increase by integrating its activities with those of the incubator.

#### *Watchable Wildlife Guide and Training Project*

In 1997, a proposal by the Office of Research and Development to develop a wildlife watching guide for eco-tourists was funded for \$58,000 by the U.S. Forest Service Rural Community Assistance program. The original intention of the guide was to spark increased levels of eco-tourism in the Trinity River Basin and, in particular, on the Reservation. Preparation of the guide was contracted out to a Humboldt County natural resource consulting firm in the Eureka/Arcata area. Production of the guide was to have entailed the training of four Hupa interns in data collection and other production-related activities. It was envisioned that the guide would function in an analogous manner to other local guides such as the Arcata birding guide, which was part of a broader effort to develop the coastal area's eco-tourism potential through organized events such as Godwit Days, the Humboldt Bay Oyster Festival, etc.

While the Watchable Wildlife Guide was indeed produced, and can be found in some local bookstores, it has had little, if any, effect on eco-tourism, employment generation, or overall recreational activity levels on the reservation. This is due to a variety of reasons. One reason is that, as one wildlife biologist within the Tribe's Natural Resources Division commented, there is actually very little easily observed wildlife on the reservation. A second reason stems from significant reluctance on part of the Tribe's membership to "open up" the reservation for recreational opportunities for outsiders, even if doing so may bring economic benefit. This reluctance manifests as resistance to providing public access points to the Trinity River where it runs through the reservation, and resistance to any kind of eco-tourism associated with deer or bear—both of which are considered sacred with Hupa cosmology.

A third reason for the failure of the guide preparation to bring with it an increase in eco-tourism and associated economic development is the lack of concomitant investments in regional marketing and the ability and desire to maintain a sustained commitment to developing the infrastructure that enhancing eco-tourism within an area requires. While the watchable wildlife guide could have helped expand the eco-tourism potential of the reservation, without a clear consensus from the Tribe that this was a widely shared objective and without the necessary and associated investments in marketing and infrastructure development, the guide alone was over-burdened with promising objectives and outcomes. The product of this grant, a handsome (but not easily available) book that is not only a wildlife guide but also a relatively comprehensive overview of Hupa culture, traditions, and history, will perhaps one day help catalyze the objectives it was originally intended to achieve: the development of low investment eco-tourism, associated business development, job creation, public education purposes, and regional cooperation and planning.

#### *Collecting, Preserving, and Sharing Our Past*

In 1998, the U.S. Forest Service, through its Rural Community Assistance program, made a grant to the Office of Research and Development and the

Hupa Language, Culture, and Education Program that focused on recording and preserving Hupa oral history, customs, and traditions. The grant, in the amount of \$30,000 was supplemented by contributions from the Hoopa Valley Tribe and the National Endowment for the Arts. The purpose of the effort was to catalogue and properly preserve the existing tapes that had been made with Hupa elders in an attempt to preserve Hupa oral history, to interview and record elders, and to prepare a publication about Hupa oral history that could be used in educational contexts.

A primary thrust of this effort was a focus on women elders and the transmission of knowledge concerning Hupa values, traditions, and culture from women elders to younger women and girls. Organizers of the project wanted to provide a vehicle for communicating to Hupa girls the “everyday Native American world view” of Hupa women who were 70 and 80 years old, and to help Hupa girls find ways of being Hupa in the contemporary world. Hupa women college graduates interviewed several women elders as part of this project. In addition to recollections concerning their own lives, such as their experiences as children in the BIA boarding schools, the women interviewed were asked to comment on the role and meaning of the sacred Hupa dances in their lives and were asked for any advice that they might have for young Hupa girls today. Portions of the interviews with three women elders were developed into a booklet entitled “Collecting, Preserving, and Sharing Our Heritage.” The process of finding women elders who would agree to be interviewed for the project, and then determining what portions of the interviews could actually be reproduced for general consumption in the booklet without divulging proprietary information was challenging, particularly because few women elders had hitherto been asked to share their knowledge and life experiences in this public manner.

The results of this effort, including but not limited to the published booklet, have been used as the basis for a Hoopa summer school program for children in grade school, particularly those between the ages of nine and 15. About 30 girls participate in the summer program. Part of the program entails tak-

ing the young girls up into the mountains to learn and practice some of the things the women elders discussed in their interviews. This involved working with the families of the girls to gain the families’ support for having their daughters involved. As the Director of the Hupa Language, Culture, and Education Program described, “We’re really happy about it being a people’s project.” The Hoopa elementary school now uses the booklet in their classrooms as one way to help provide a historical perspective on Hupa culture and identity. It was originally envisioned that the booklet would be available to other schools and classrooms through the lending library, but funding restrictions have precluded this from occurring, at least for now.

#### *Hoopa Valley Tribal Council – Loan Department*

In 1997, the loan officer within the Tribal Loan Department, applied to USDA Rural Development for a \$105,000 grant to be used as a revolving loan fund. Ongoing relations with both USDA Rural Development and the Forest Service enabled her to find out about the availability of funds for this purpose. As described by the loan officer, the process of applying for and receiving the grant (\$105,000 awarded in 1998) was streamlined and straightforward. The Concept Project Proposal Summary was forwarded directly to USDA Rural Development. It, as with most Hoopa CERT proposals, did not go through either the county or state proposal ranking and prioritization evaluation processes.

To publicize the availability of the funds, several public meetings were held on the reservation. Word of mouth was also an important vehicle for disseminating information about the program. The loan officer, in the administration of the grant, made a concerted effort to make as many small loans to as large a number of people as possible. All reservation residents, regardless of whether or not they were tribal members, were eligible to apply for a loan. Of the approximately 30 loans made from this grant, the majority of them were for \$2,000 or less. All of the loans were made to individuals who either were starting or expanding a business. Loan amounts, while generally small, enabled self-employed entrepreneurs to pursue their business interests in ways that they

would otherwise not have been able to. For example, forest contractor loan recipients received small loans that enabled them to purchase the bonds needed to bid on forest contract work, or to purchase equipment and supplies. Self-employed artisans were also able to purchase needed equipment and supplies. Some of the larger loans were used for purposes such as the purchase of a dump truck for a self-employed contractor, remodeling a downtown restaurant that had been damaged by fire, and helping establish a new downtown coffee house. These latter two establishments are both owned and managed by Hoopa women entrepreneurs. Additionally, many of the artisans who were able to purchase supplies and equipment using this loan fund were also women.

In its explicit orientation towards small loans, this loan program functioned in a manner similar to a micro-credit enterprise. It provided relatively small amounts of capital to a large number of entrepreneurs who, almost without exception, were able to use the loan amount to advance their businesses by more successfully bidding on contracts, expanding their business facilities, or increasing the goods and services they could produce. Tailoring the loan program to meet the credit needs of self-employed small scale business entrepreneurs was consistent with other efforts, such as those of the Office of Research and Development, to strengthen the private sector within the reservation economy. This approach was also fully supported by the Tribal Council, which oversees the Loan Department.

The need for such micro-credit loan programs is especially acute at Hoopa and other reservations because of the unwillingness of many financial institutions to give loans to American Indians. Many residents of Hoopa have no credit rating and hence are unable to apply for loans from commercial banks. Informal redlining also limits the availability of credit on reservations, as does the unwillingness of many commercial financial institutions to make such small loans. The small size of the loans made through this program was quite striking, especially given the resulting paperwork and transaction costs associated with managing a large number of small loans. Interestingly, the loan sizes also were less than the minimum loan amount stipulated by the Economic Develop-

ment Administration. Although this was a USDA Rural Development loan, and the Rural Development officer who approved the grant fully supported this micro-credit approach, it does suggest that perhaps the Economic Development Administration's minimum loan size stipulation needs revisiting. In fact, the Economic Development Administration is aware of the success of this loan program and is investigating ways of emulating its successful attributes.

As with other micro-credit programs worldwide, this loan program has also enjoyed close to 100 percent repayment rates. At least two reasons account for this higher than average repayment rate. The first concerns the importance of honor, especially within a small community such as Hoopa. As described by Ms. Johnson and others, all loan recipients have an incentive to repay their loans in order to maintain their honor and standing within the community. A second reason, which applies only to tribal members (the great majority of loan recipients are tribal members), is that the Tribal Council has approved a provision that enables the Council to deduct from a tribal member's annual dividend money that that person owes the Tribe. Although this right has not been exercised in this loan program, the possibility of using it no doubt provides incentive for loan recipients to repay their loans. As loan repayments are made, the money reverts to the Tribe's primary revolving loan fund. In this manner the original \$105,000 grant will eventually merge with this fund, which is managed in accordance with Economic Development Administration guidelines. The lessons to be learned from the micro-credit approach used in the management of the Rural Development grant will hopefully strengthen the case for relaxing some of the Economic Development Administration's constraints on minimum loan size.

#### *Tsemeta Forest Nursery*

In 1998, Tsemeta Forest Nursery received a grant from the U.S. Forest Service Rural Community Assistance program in the amount of \$45,000 to promote native seed and medicinal herb drying and processing. Tsemeta Forest Nursery was initially constructed in the late 1980s as a state of the art glass-covered greenhouse for growing containerized forest plant-

ing stock. For the first 10 years of its operation, the nursery staff concentrated on producing containerized forest seedlings that were purchased under contract by the Hoopa Tribal Forestry Department, U.S. Forest Service, Bureau of Land Management, and California Department of Forestry for reforestation and forest restoration projects. However, by the late 1990s, with the dramatic reduction in forest harvest levels, especially clearcutting practices, the demand for forest seedlings for replanting purposes sharply declined. The Tribal Council, recognizing the importance of the nursery in terms of employment generation (two full time jobs and several part time and seasonal positions), the capital investment it represents, and its future potential, has continued to support the nursery operation. This support has included authorizing the purchase of containerized forest seedlings from the nursery by Hoopa Tribal Forestry at higher than market prices.

The nursery manager, recognizing the need to diversify the range of products and plants produced by the nursery, began exploring the potential for producing ornamental plants, shrubs, trees, native plants and grasses, and medicinal herbs in the late 1990s. The manager's 1997 grant application for support for native seed and medicinal plant drying and processing facilities was part of this diversification effort. Relationships had been developed with wildcrafters in the region, such as the High Mountain Herb Cooperative, Trinity Alps Botanicals, and other individual wildcrafters. It was envisioned that Tsemeta Nursery would be able to enter into partnerships with these wildcrafters through the purchase of their raw product and then drying, processing, and marketing it. Additionally, Tsemeta Nursery anticipated on-site production and processing of medicinal herbs and native grasses. To this end, a plot of land was certified for organic production by the California Certified Organic Growers Association.

The Forest Service Rural Community Assistance grant enabled Tsemeta Nursery to construct a herb and grass drying and processing facility within the nursery warehouse as part of its attempt to diversify its operation and regain fiscal self-sufficiency. This includes a root and seed dehydrator, shelving, and storage and processing equipment. This enhanced

nursery infrastructure has enabled it to purchase, process, and sell a variety of different native grasses and medicinal herbs. However several challenges have beset these efforts. For example, the High Mountain Herb Cooperative, at one time a promising partner for medicinal herb collecting and processing, is no longer in operation. One of the reasons for the cooperative's demise is the fickle and cyclical market for medicinal herbs such as St. John's wort and echinacea—where once these herbs fetched a good market price, in the last few years their prices have persistently declined. Unpredictable market shifts, in part due to the globalization of the medicinal herb market, have made it difficult for wildcrafters and the nursery alike to identify products whose prices are stable and that are economically viable to grow or wildcraft, process, and sell. Another challenge concerns the labor intensive nature of the production and processing of native grasses and medicinal herbs. As discussed in the Office of Research and Development's "Proposed Strategic Plan for Tsemeta Forest Nursery," when compared to other nursery operations such as Sun Valley Floral Farms in Arcata, Tsemeta Nursery is disadvantaged both by a small labor pool willing to do the hard physical labor associated with native grass and medicinal cultivation at low wage rates, and by a lack of technological sophistication in terms of equipment and facilities (Norton 2001). While the Forest Service grant has helped Tsemeta Nursery to diversify its operation, broader contextual factors associated with the labor demands and economics of medicinal plants have limited the nursery's ability to significantly expand into this area. To date, the propagation of native grasses and other native plants used in ecosystem restoration projects seem to provide more promising opportunities for nursery expansion.

#### *Integrated Resource Management Plan*

In 1993, the Tribe applied for and received \$180,000 to develop and begin to implement an integrated resource management plan. Tribal support for such a plan stemmed from the recognized need for a reservation-wide resource plan that would guide land use planning (such as housing and commercial development) and attempt to integrate it with fish and wildlife conservation, timber harvest-

ing, and overall economic development. The grant, provided through the Forest Service Rural Community Assistance Program, was managed through the Tribal Fisheries Department by a non-tribal staff member. The overall purpose of the plan was to: “1) strengthen self governance, 2) protect the reservation’s biological diversity, 3) develop a sustainable Tribal economy, and 4) preserve the Hupa culture and tradition” (proposal summary). The World Wide Fund also provided financial support for this project and was able to facilitate the donation of sophisticated GIS equipment to the tribe.

The plan was to be developed through a process of extensive consultations (using workshops, public meetings, etc.) between Tribal staff and administrators and Hupa community members. The plan got off to a good start initially and enjoyed significant public support, as indicated by the creation of a diverse and interdisciplinary Task Force and well attended public meetings. Later, however, interest in continuing the planning process was eventually overshadowed by the exhaustive forms of public involvement and debate that incurred through the development of the Forest Management Plan, a process that ran concurrently with (or slightly preceded) the development of the Integrated Resource Management Plan. Many people interviewed for this project felt that the IRMP could simply not garner the required community involvement and support because of “involvement fatigue” resulting from the extensive consultations associated with the Forest Management Plan revision process. Additionally, there was significant overlap between the conservation goals of the IRMP and those of the revised Forest Management Plan. While an Integrated Resource Management Plan was eventually produced, the lack of sustained public participation and ownership and the existence of the revised Forest Management Plan has reduced its relevance.

### **Jobs-in-the-Woods**

Between 1994 and 1998, the Forestry Division of the Natural Resources Department received five Jobs-in-the-Woods grants, all through the Bureau of Indian Affairs. Each grant request was made in response to annual letters of interest sent to the Tribe by the Sacramento Area BIA office that solicited

proposals for watershed restoration and monitoring work. The grants funded a combination of watershed assessment and restoration, monitoring, and contractor/worker training. Two grants in 1994 and 1995 in the amounts of \$300,000 and \$311,000 respectively, enabled watershed restoration (along with contractor/working training workshops) in Mill Creek, Bull Creek, Tish Tang, and Pine Creek. The goals and objectives of these efforts were to reduce sediment delivery to Priority A (anadromous or domestic use) streams by treating sites of chronic or potentially catastrophic sediment production, to create jobs for heavy equipment operators and contractors previously employed by the timber industry, and to set up long-term monitoring stations to assess effectiveness of restoration efforts and general aquatic ecosystem health (Blomstrom 1:1996). It is widely accepted that erosion rates on reservation lands are quite high. For example, the magnitude of erosion from reservation roads is three times higher than for roads in the adjacent Redwood Creek watershed, which is mostly under industrial timberland management (Oldenburg 2001). Oldenburg, a Tribal forestry hydrologist, suggests that this difference is not surprising given the “size, type, location, and maintenance levels on these roads,” (2001:9).

Initial watershed assessments conducted by Pacific Watershed Associates were updated and modified during the 1994 and 1995 Hoopa Restoration Environmental Assessment efforts. These reports provided the basis for choosing these four watersheds for restoration work and guided the restoration work in them. The restoration work and contractor training was funded from a combination of sources, including NEAI Jobs-in-the-Woods grants, timber sale receipts, and Trinity River Restoration Funds. The University of California Cooperative Extension, Environmental Protection Agency, and the Integrated Resource Management Plan (also a NEAI project) also provided financial assistance. NEAI funds comprised approximately 75 percent of the total amount used in these efforts.

By the end of 1996, these watershed restoration efforts had produced impressive results. With \$112,000 still remaining from the 1995 grant, the 1997 Watershed Restoration Status report notes that

a total of 90,580 cubic yards of material had been removed from the Mill Creek, Pine Creek, and Tish Tang Creek drainages and that 129,305 cubic yards of material was estimated to have been saved from entering streams. This latter figure represents a sizeable proportion of the total treatable sediment volume of 192,670 cubic yards estimated by Pacific Watershed Associates for these three drainages. Prior watershed assessment work by Pacific Watershed Associates, as modified, updated, and GIS mapped by the Tribal Forestry Division, provided the basis for prioritizing drainages and individual sites for restoration work. This helped to optimize the restoration funds made available through the CERT process.

Careful record keeping also enabled analysis of the cost of preventing sediment from entering streams. Whereas Pacific Watershed Associates had estimated a cost of \$4.50 per cubic yard of saved sediment, the implemented average cost per cubic yard saved turned out to be \$6.40. The higher actual cost of preventing a cubic yard of sediment from entering a stream was due to the fact that more material had to be excavated than was anticipated in order to prevent erosion and streamside sediment delivery, and due to the relative lack of restoration experience of the heavy equipment operators through which the work was contracted. Based on these restoration efforts, the Tribal Forestry Division was able to devise a table establishing the minimum levels of experience (in hours) required for heavy equipment operators to be able to do different types of restoration jobs.

Because provision of employment was a key goal of these projects, in addition to watershed restoration work, the higher than expected cost per cubic yard saved is not surprising. Indeed, contractor training for restoration work was an explicit component of this work. Training workshops for road restoration, decommissioning, and obliteration, lead by Pacific Watershed Associates, were provided to local contractors. Not only were these free of charge, but contractors received a stipend for participating in them. Several of the local contractors that acquired new skills and methods of road construction, were the same people that had initially constructed those roads. Restoration efforts for calendar years 1995 and 1996 provided a total of nine full time jobs for

the four month restoration season. All of these individuals had previously been employed in the timber industry. One of the contractors who participated in the restoration workshops and was contracted with to decommission several roads has subsequently been able to successfully bid on Bureau of Land Management watershed restoration contracts in other parts of Humboldt County.

While the first two JTPA grants to the Tribal Forestry Division focused on watershed restoration efforts, the third grant, in the amount of \$86,000 made in 1996, enabled a complete watershed assessment of Supply Creek. The combination of rainfall averaging 60" to 80" inches per year, steep slopes (60 percent of the watershed is comprised of 40-60 percent slopes), a road density of 5.93 miles/sq. mile, over 50 percent of the watershed logged, and geologically unstable parent material, has produced conditions optimal for sediment delivery to Supply Creek; it currently has impaired both anadromous fish habitat and domestic water supplies. Research by the Tribal Forestry Division shows that on average, between 1954 and 1993, background sediment yields were 4,585 tons per year, while sediment yields from roads and landings were 25,930 tons per year. This high level of sedimentation has negatively affected the water supply of about 1,500 valley residents. The watershed assessment grant from the Bureau of Indian Affairs enabled Tribal Forestry to identify 15 major issues concerning the current condition of the watershed. This work built on previous watershed analyses done by Pacific Watershed Associates and Environmental Assessments done by the Tribe as part of the 1994 and 1995 Jobs-in-the-Woods NEAI grants. The watershed assessment used the delineation of these issues to develop watershed restoration project objectives and then to identify specific restoration activities, complete with field reviews and tentative restoration prescriptions. This work provided the basis for the fourth Jobs-in-the-Woods NEAI grant, which requested funding for implementing restoration activities on Supply Creek.

In 1998, the Tribe received \$238,000 to conduct watershed restoration activities on Supply Creek. The restoration work was designed to stabilize upland slopes and reduce the potential for future

sediment delivery to Supply Creek. This approach is based on the assumption that it is more cost effective to prevent the input of new material into already degraded streams and allow the normal stream energy to flush previous sediment inputs, rather than attempt to excavate sediment from the stream. The proposed restoration work (most of which is now complete) is anticipated to prevent 193,000 cubic yards of material from entering the stream, thus reducing the time needed for the stream to recover from past sediment inputs, which currently total approximately 800,000 cubic yards. The work includes activities such as removal of stream crossings, reconstruction of existing rolling dips and construction of new rolling dips, reconstruction and stabilization of failing road fills and gullies, culvert installation, road decommissioning, and brush removal and moderate road construction work. All of the on-the-ground watershed rehabilitation work was contracted out to local Indian contractors, most of whom had attended the “Watershed Restoration for Heavy Equipment Operators” training workshops offered as part of the previous NEAI grants to Tribal Forestry. Tribal contributions to this project totaled \$58,500 and were derived from timber sale road construction funds, culvert funds, and other watershed restoration funds.

The last Jobs-in-the-Woods grant was awarded in 1999 in the amount of \$150,000. Its purpose is to fund baseline implementation and effectiveness monitoring of the last five years of watershed restoration

work and timber harvesting activities on the reservation. Monitoring will take place in five watersheds on the reservation. These include those watersheds in which NEAI-funded restoration work has taken place since the early 1990s, plus a fifth watershed, Captain John Creek, which is relatively pristine and can function as a reference watershed; it also is an important source of domestic water. The Tribe is contributing \$52,000 from Hoopa Tribal Fisheries (of which \$40,000 is Bureau of Reclamation funds), plus in-kind contributions from the Hoopa Tribal Environmental Protection Agency. The project aims to test the implementation and effectiveness of forest and road management practices in terms of effects on water quality and fish productivity or habitat, to gather baseline data regarding Total Maximum Daily Limits (TMDLs) for the Tribe’s water quality control plan, and to support GIS mapping of forest management activity cumulative effects. The grant includes support for one full-time hydrologist for three years, in addition to funds for purchasing two continuous data recorders. The monitoring efforts include up-land, road, and in-stream monitoring. By assessing the effectiveness of current Best Management Practices governing forest management, in terms of their ability to maintain or enhance water quality, the monitoring will enable determination of whether or not adjustments are needed in Best Management Practices in order to protect water quality and fish habitat.

## **Current Socioeconomic Conditions and Effects of NEAI on Community Well-Being**

### **Community Well-Being**

#### *Socioeconomic Condition*

Low income levels and high unemployment characterized the reservation economy even before the decline in timber harvest levels. In 1971, the median family income was \$3,389, which was one third of the national median family income of \$11,106. The 1971 per capita income was \$1,430, about one third of the state per capita income of \$4,610, while unemployment hovered around 30 percent (Hoopa Valley Indian Reservation, Comprehen-

sive Plan 1973:2.202). These low income levels and high unemployment rates existed prior to the regional reduction of harvest levels and concomitant mill closures on the reservation. Even in the early 1970s, when the timber industry was “healthy,” the Hoopa Valley Business Council recognized the need for economic diversification to expand job opportunities, raise personal income levels, and reduce dependence on the timber industry.

Following the regional and reservation declines in timber harvests that began in the 1980s and the

closure of all five mills located on the reservation, unemployment and associated hardships skyrocketed. Estimates of unemployment rates vary, but they are all high. A 1988 Bureau of Indian Affairs Labor Force Report estimates unemployment at 81.43 percent (cited in HVIR 1996-2001 Transportation Plan 1996:11). Estimates of the heads of households whose income is below the established poverty income level range as high as 81.57 percent (HVIR 1996-2001 Transportation Plan, 1996:11). The 1990 Census indicates a 40.7 percent poverty rate for households and a 29.6 percent unemployment rate for the reservation. The 1999 Tribal Census Project of the Tribal Data Resources Division reports an unemployment rate of 32.4 percent, with an additional 5.3 percent employed only seasonally and 9.7 percent employed only part-time for tribal members. Although data are lacking, several people interviewed stated that these rates would be higher for non-tribal reservation residents. Given hiring quotas that favor enrolled tribal members and the fact that non-tribal members constitute approximately 45 percent of the reservation's 2,633 residents (Census 2000), unemployment rates for non-tribal members could be significantly higher than for tribal members. By any measure, poverty and unemployment rates are several times higher than county, state, or national averages. These figures are also reflected in the number of children eligible for free or reduced cost meals at school; of the 1,819 students enrolled in Hoopa Valley Schools during the 1998-99 academic year, over 95 percent were eligible for subsidized or free school lunches.

### **Community Capacity**

Community capacity is the collective ability of residents in a community to respond to external and internal stresses, to create and take advantage of opportunities, and to meet local needs. There are five dimensions of community capacity: (1) physical capital, which includes a community's physical infrastructure (e.g., sewer systems, business parks, capital assets such as equipment, housing stock, and schools); (2) financial capital, which includes money, credit, and other financial resources available for local use; (3) human capital, which includes the skills, education, experiences, and general abilities and capabilities of residents; (4) cultural capital, which includes the

myths, beliefs, norms, and lifeways that serve to organize groups and facilitate survival; and (5) social capital, which includes the willingness of residents to work together toward community goals (and not just self-interested goals).

While overall economic conditions remain bleak, as illustrated in the macro-level indicators of community well-being, NEAI projects have had diverse and positive effects on many of the different capitals that comprise community capacity on the Hoopa Valley Indian Reservation. As discussed below, these effects range from supporting tribal members' efforts to maintain and strengthen their cultural integrity and identity, expand the viability of private business enterprises on the reservation, restore watersheds, and train unemployed timber workers. Several factors account for the ability of the Hoopa Valley Indian Reservation to take advantage of the opportunities that NEAI programs offered. Paramount among them was the institutional legacy of the Tribe's historic struggles for autonomy and self-empowerment. The institutional legacy of these struggles for sovereignty manifest in the Tribe's high capacity and well developed organizational structure that includes, for example, the Tribal Forestry Division, Tribal Fisheries Department, the Hoopa Language, Culture, and Education Program, and the Office of Research and Development. This well developed institutional capacity, which many other communities affected by the Northwest Forest Plan lacked, enabled the tribe to take advantage of and effectively utilize NEAI funds. A second factor that contributed to the Tribe's success in attracting NEAI funds was the well developed relations that existed prior to NEAI between the Tribe and various federal agencies. This included, for example, relations with the Bureau of Indian Affairs and the Economic Development Administration. These well developed relationships facilitated the flow of NEAI funds to the Tribe. The specific effects of these projects on the different dimensions of community capacity are discussed below.

#### *Physical Capital*

NEAI projects had relatively little effect on the Tribe's physical capital. No projects focused primarily on the creation and enhancement of physical infra-

structure, such as water treatment facilities, telephone lines, or waterfront development, as in other NEAI beneficiary communities. However, components of some projects did enhance physical infrastructure. For example, the Native Seed and Medicinals Drying and Processing project at Tsemeta Nursery funded the construction of drying and processing facilities, and some of the loans made as part of the USDA Rural Development Revolving Loan Fund grant were used to create or enhance physical infrastructure, such as the reconstruction of a restaurant after being partly damaged by a fire. Perhaps the biggest enhancement of physical capital will be the construction and development of the business incubator and visitor center as planned by the Office of Research and Development. NEAI grants and the CERT process were instrumental in funding the initial feasibility study of and providing the institutional forum for developing ideas about a business incubator on the reservation. If and when the incubator and visitor center are developed, the NEAI will have played an important role in its inception and early development.

#### *Financial Capital*

The most direct enhancement of financial capital came from the USDA Rural Development revolving loan fund grant. The management of this fund by the Tribe's Loan Department was unusual in the extent to which it was used to make quite small loans (in the range of \$750 to \$2,000) to individual entrepreneurs. It was also characterized by a repayment rate of close to 100 percent. Small infusions of capital enabled forest contractors to bid on and obtain contracts for forest management and restoration work, small business owners in the downtown area to open and/or expand their businesses, and artists to purchase supplies and equipment. While the total grant was relatively small (\$105,000), the way in which it was managed enabled a surprisingly large number of entrepreneurs to accomplish things they otherwise would have not been able to.

#### *Human Capital*

NEAI projects affected human capital in myriad ways, both direct and indirect. NEAI projects provided the financial capital necessary to purchase

some forms of human capital. Examples include the economic development planners and consultants who were hired to help the Tribal Council and Office of Research and Development develop feasibility studies and planning documents for different Tribal enterprises, such as the Aggregate Business, as well as analyze and propose directions for overall economic development planning. Other NEAI-enabled hires include business management counselors for staffing the business service center and the staff hydrologist hired to design and implement watershed monitoring through the Tribal Forestry Division.

In addition to enabling direct hires of skilled people, NEAI projects also helped expand the skills (and thus the human capital) of reservation residents. For example, those individuals who visited the business service center for counseling and to access various other services the center offers were able to develop their own capacities and abilities related to business management and entrepreneurial activities. Of the 25 or so individuals who approach the service center annually that are interested in starting their own businesses, the center is able to help approximately five actually start their own businesses. Invariably, these efforts involve the enhancement of one or more of the skill sets necessary for successful business management. The trainings and workshops offered by the service center have also helped enhance the human capital of those who participate in them.

Similarly, the workshops sponsored by the Tribal Forestry Division and led by Pacific Watershed Associates on watershed restoration techniques for heavy equipment operators were essential in enabling equipment operators formerly employed in the timber industry to transition into watershed restoration work. New techniques of road building and maintenance, methods of road obliteration and decommissioning, and other related skills were taught at these workshops. These were essential prerequisites for these contractors, all of them Indian, to be able to successfully bid on watershed restoration contracts put out for bid by the Tribal Forestry Division. As discussed above, at least one contractor has been able to successfully use his enhanced human capital from these experiences to bid on restoration contracts let by other federal agencies, e.g. the Bureau of Land Management.

### *Cultural Capital*

Cultural capital concerns the integrity and continuation of those elements, such as language, belief systems, ritual, oral history, and life ways and values that, together, comprise a community's and individuals' identity. Of particular relevance for American Indian groups, whose culture and very identity have been under assault for generations, cultural continuity is also of importance to many residents of rural resource dependent communities. In the case of the Hoopa Valley Indian Reservation, one NEAI project in particular, "Collecting, Preserving, and Sharing our Past" has played a direct role in enhancing cultural capital. The key participants in this project were aware and concerned about the diminishment of cultural capital that occurs with each death of a tribal elder. They were also aware and concerned about the difficulties Hoopa youth, particularly young women and girls, face as they try to find ways of being Hupa in the 21<sup>st</sup> century. One key purpose of their project was to share with Hupa young women and girls, the insights, experiences, and perspectives of elders in an attempt to help them navigate through life's challenges.

### *Social Capital*

NEAI projects had negligible effects on Hupa social capital. Hupa social capital (overlapping cultural capital to a significant extent) is rooted in centuries-old traditions and practices, such as the rich and vibrant cycle of ceremonial dances that have been conducted continuously for hundreds of years. Similarly, the importance of kinship and clan relations in terms of the mobilization of social capital is hard to underestimate. Hupa people have developed and maintained these reservoirs of capital for very long periods of time. More recently evolved political institutions such as the Tribal Council, the judiciary, law enforcement, and other tribal departments are embedded within and affected by these forms of social capital. NEAI projects were external to, independent of, and did not affect Hupa social capital.

### *Natural Capital*

Several NEAI projects had direct and positive effects on natural capital. In particular, the Jobs-in-the-Woods grants made by the Bureau of Indian

Affairs to Hoopa Tribal Forestry spearheaded watershed restoration work in several key watersheds. These watershed restoration efforts have significantly reduced sediment delivery into streams, thus speeding their recovery from past degrading land management practices. The more recent grants have enabled Tribal Forestry to develop important monitoring capacities to track the implementation, effects, and effectiveness of forest management best management practices and watershed restoration efforts. The results of these monitoring efforts will provide the necessary basis for determining what types of adjustments might be needed in forest management and restoration practices in order to preserve and enhance water quality and aquatic species and habitat, thus enabling further enhancements of natural capital.

Natural capital is also inextricably linked with cultural capital. One important way in which cultural capital is encoded is through the diverse ways in which Hupa people use, value, and manage the natural resources on their reservation. The forest landscape of the reservation is as much a cultural landscape as it is an ecological landscape. Its structure and function in many ways encodes and reflects culturally informed resource management practices. Species important for basket weaving are actively managed for, as are a wide variety of medicinal herbs and other plants. Subsistence-oriented uses of the reservation's natural resources, for example, fishing for salmon and the gathering of other foodstuffs, are both crucial safety nets for un- or underemployed people and their dependents, as well as activities that are important vehicles for transmitting lifeways and practices central to Hupa identity. Not surprisingly, the Hoopa Forest Management Plan acknowledges, provides for, and facilitates the cultural practices associated with these elements of cultural capital, and they actively manage for those species that are particularly valued within this culturally-attuned natural resource management framework.

### **Worker Effects**

The primary worker effects of NEAI projects occurred through the Bureau of Indian Affairs' Jobs-in-the-Woods grants to the Hoopa Forestry Division. Watershed restoration work provided ecosystem

management-related training and employment for heavy equipment operators formerly employed in the timber industry. Approximately six contractors participated in the workshops offered as part of the early watershed restoration grants. Because most of the restoration work involved heavy equipment operation, the number of workers who actually did the restoration work was relatively small. For example, in the four month 1995 restoration season, 5.4 full-time positions were created through the combination of NEAI, timber sale, and Trinity River Restoration Program funds. This level of employment generation was similar for the others years in which restoration work occurred. As described by one of the contractors who was hired to do restoration work from 1995 to 1998, the work was great while it lasted, but now, referring to the lack of funds for further restoration work, “everything is dead.” Of the contractors who participated in the workshops, only one has success-

fully managed to obtain contracts for restoration work on non-tribally owned lands in the region.

In addition to providing training and employment for heavy equipment operators, NEAI funds also enabled the Hoopa Tribal Forestry Division to hire more staff. This included an all-year half-time position from 1995-1997 to set up, collect, and analyze data from the monitoring program. More recently, it also funded the hiring of a full-time hydrologist to design and implement a scientifically credible monitoring program in five watersheds on the reservation. A portion of the early restoration grants was also used to train a hand line fire crew. The purpose of this effort was to provide the skills necessary for otherwise unemployed individuals to get into fire fighting and suppression work. This effort met with partial success. Crew members found short-term seasonal work, but ongoing seasonal employment has been elusive.

## Patterns and Themes

### A Cup Half Full

Measured in terms of their own internal goals and objectives, almost all of the NEAI projects on the Hoopa Valley Indian Reservation were successful. The Economic Development Administration grants for overall economic development planning, the Business Service Center, and other Office of Research and Development projects were implemented in accordance with the terms under which the grants were made. They have achieved the envisioned goals. Similarly, the NEAI projects funded by the Bureau of Indian Affairs enabled the Tribal Forestry Division to undertake a diverse array of restoration projects that successfully contributed to the reduction of sediment delivery to Priority A streams. These efforts also entailed training heavy equipment operators in restoration work and provided short-term employment to Indian contractors. The Rural Development Grant to the Tribal Council Loan Department was judiciously used to support a large number and wide variety of small business entrepreneurs. The small size of the loans, repayment rates, and provision of credit to individuals for whom access to credit is otherwise

nearly impossible exemplify cutting edge principles of community-based economic development. The Forest Service Rural Community Assistance grant that funded the “Collecting, Preserving, and Sharing Our Past” oral history project enabled the production of a small booklet that profiles the lives of older Hupa women. It is somewhat unusual in its focus on Hupa women, and in its attempts to strengthen intergenerational linkages among Hupa women and girls.

The success of these NEAI funded projects is due, in large part, to the pre-existing organizational capacity and resources of the Hoopa Valley Indian Tribe. Its well developed institutional infrastructure, stable and well functioning tribal government, and grant writing expertise enabled it to take full advantage of NEAI funding opportunities. In other non-tribal rural communities, it was necessary to use NEAI funds to first build organizational and institutional infrastructure before funds could be used for forms of economic development such as revolving loan programs, watershed restoration work, and small business development. Because these capacities existed at Hoopa prior to NEAI (in part as a result of the

Tribe's long-term struggle for autonomy and the right to exercise its own sovereignty), it was well poised to take immediate advantage of NEAI funding opportunities and to use NEAI grants for on the ground "work" as opposed to first having to make long term investments in building community capacity. Thus, for example, the Tribal Forestry Division had already developed the in-house forest management and ecological expertise, and had collected the necessary baseline ecological data necessary for it to be able to apply for, obtain, plan, implement, and monitor the effectiveness of sophisticated watershed restoration projects. As a result, only a small percentage of grant funds were used for capacity-building and the great majority was applied directly to on the ground restoration work. For example, out of the almost \$600,000 received for watershed restoration work in 1994 and 1995, 63 percent was used for actual site work, 16 percent for assessment and project layout, six percent for monitoring, 13 percent for road upgrading, and two percent for the workshop and associated video (Blomstrom 1996). Literally no funds were used to overhead costs or institutional capacity-building.

The success of NEAI projects at Hoopa is also attributable to the pre-existing relationships that linked the Tribe with the various federal agencies that participated in the CERT process. Key among them were pre-existing relationships with the Economic Development Administration, the Bureau of Indian Affairs, and the Forest Service. Because of the well developed communication lines between the Tribe and these agencies, in some cases, the relevant Tribal departments were aware of grant opportunities before the relevant line officers and their field office staff. In most cases these lines of communication had developed as a result of the Tribe's status as a sovereign nation and the independent relationships that had developed between it and the federal government.

### **But Also Half Empty**

However, in terms of effects on macro level indicators such as unemployment and poverty rates, and even macro-level indicators of ecological health, such as total sediment delivery into the Trinity River, NEAI projects had almost negligible effects. As discussed above, poverty and unemployment

rates remain tragically high, the proportion of the reservation's economy comprised of public sector (as opposed to private sector) economic activity remains dramatically skewed away from the private sector, private sector investment and job creation continues to stagnate, and addressing drug and alcohol abuse issues continues to be identified by the Tribal Council as a top priority. In short, travelling from the coastal portion of Humboldt County to the Hoopa Valley Indian Reservation is, in many respects, analogous to moving from a first world to a third or fourth world context, history, and economy. Seen from this perspective, NEAI projects have failed to bring about the basic transformations in economy and society that constituted the core of the program's objectives.

What strategies would need to be embraced to foster permanent forms of social change and economic development that result in improvements in these macro level indicators of well being? How would they differ from those that were pursued through the NEAI? Critiques of the NEAI approach to economic development at Hoopa by Tribal members point to some answers to these questions. As articulated by Mr. Daniel Jordan, the crucial, and missing link is acknowledgement of the relationship between sustainable economic development and tribal sovereignty. Jordan and others argue that the central impediment to sustainable economic growth on reservations, whether sought through NEAI or various other programs and initiatives, is the lack of understanding of the implications of Tribal sovereignty for economic development. The fact that tribes are sovereign entities fundamentally differentiates them from other non-tribal communities, including for example, other communities participating in the NEAI. Because tribes are sovereign entities, state laws and institutions such as business codes, court systems, and other legal frameworks governing business transactions do not apply on reservation lands. The federal government has constitutionally reserved the right to conduct relations with tribes, but it does not regulate business relations. The state government does regulate business transactions, but it has no jurisdiction on reservations. The result is a void of uncertainty on reservations regarding business activity unless the tribe itself has enacted its own business and other

codes. Because of this essential difference between reservation and non-reservation communities, Jordan argues that programs such as NEAI interventions will never succeed in bringing about sustainable economic growth unless they first acknowledge these differences, understand the implications for policies that promote economic development, and then tailor programs and interventions accordingly. Hence NEAI programs that seek to promote economic development using the same approaches, tools, and models for reservation as for non-reservation communities are predestined to fail on reservations.

Mr. Jordan's views are shared by others. Stephen Cornell, Co-Director of the Harvard Project on American Indian Economic Development, John F. Kennedy School of Government, Harvard University, and his colleagues have spent more than 10 years examining why some tribes have been able to successfully develop their reservation economies while others have not. He argues that three things are essential for sustainable reservation economic development: real tribal sovereignty, good government for exercising sovereignty, and what he calls appropriate "cultural match." Defining sovereignty as genuine self-rule, he argues that tribes need to be able to decide, for example, how resources are allocated, social programs organized and run, and which development alternatives to pursue—in short, issues of governance, decision making autonomy, and resource use. As discussed in this case study, it is clear that the Hoopa Valley Indian Tribe has, for more than 150 years, struggled successfully to maintain and exercise its sovereignty and autonomy. The assumption of tribal control over its natural resources and its participation in the Bureau of Indian Affairs' Self-Governance Project are only the most recent chapters in Hupa struggles for autonomy and self-rule.

However, Cornell also argues that successful reservation economic development requires the development of institutional infrastructures through which to effectively exercise tribal sovereignty. Here, his argument is exactly parallel to that of Mr. Jordan's. As illustrated by Cornell's research through the Harvard project, reservation economic development also requires the development of what he calls "good gov-

erning institutions." This entails building strong and effective court systems, the insulation of businesses from politics, the creation of capable bureaucracies, and the establishment of comprehensive legal frameworks governing business transactions. He has found that "separating tribal politics from the management of tribal businesses increases the chances that the business will be profitable by 400 percent."

NEAI programs that ignore the implications of tribal sovereignty, the need for institutional infrastructure development, and the importance of "cultural match," and in short, that treat tribal communities as if they were the same as non-tribal rural communities, will not be able to foster sustained and productive reservation economic development. Effective NEAI and other government interventions need to acknowledge the implications of sovereignty for economic development, foster the development of robust institutional infrastructure, and allow space for culturally appropriate organizational forms to develop.

Acknowledging the institutional and legal void at Hoopa, the Tribe has recently taken the lead in developing its own set of Comprehensive Business Codes, part of its effort to develop the court rules and business codes and associated infrastructure necessary for supporting tribal and non-tribal business and economic development. These codes provide the "broad infrastructure and framework under Tribal law that is needed by any business to be successful" (Jordan 1999: 4). The Tribe has developed at least 10 different business codes. For example the Title 50, the Tribal Comprehensive Business Policy Code, approved in 1998, sets out tribal and private sector business policies, tax policies, preferences for supporting local businesses through local purchasing agreements, and establishes a one percent business tax on gross revenues to help maintain the Tribal Department of Commerce. Other business codes include the Tribal Corporations and Entities Code, Tribal Nonprofit Corporations Code, and Tribal Small Business Incentive Program, among others. The Tribe has also developed model Articles of Incorporation, Bylaws, and Commercial Leases as well as a publication entitled "Creating Business Opportunities on Indian Reservations." With respect to court rules, the Tribe has developed and adopted a comprehensive set of rules concerning the structure

and operation of a tribal court system, procedures for the appointment and removal of judges, the structure and function of a tribal appellate court, clerk and records, personnel policies, and jurisdictional issues. All the business and court codes the Hoopa Tribe have developed are available on the website of the Northern California Indian Development Council. They are there so that other tribes may freely borrow, modify, and incorporate them into their own institutional and governance regimes.

By taking the initiative in developing these forms of institutional infrastructure, the Hoopa Valley Indian Reservation is clarifying and improving its relationship with the state of California and establishing the conditions of certainty, stability, and security that are necessary in order for prospective investors to be willing to invest in Indian Country. Businesses seeking to locate on the Hoopa reservation can now apply for and receive a business license and articles of incorporation from the Tribe's Department of Commerce. These documents are recognized by the State of California and banks and other lending institutions as legally binding documents, that for example, provide the necessary security for extending credit and making loans.

Given this discussion of the implications of tribal sovereignty for sustained economic development and the need for appropriate institutional infrastructural development, it becomes clear that NEAI interventions, to be effective, must acknowledge and engage with these issues. Doing so requires thinking strategically about how NEAI projects intersect with sovereignty issues, what types of institutional infrastructure are needed for the project to become self-sustaining, and how a project might advance both sovereignty and needed institutional development. Thus, for example, the support of the Economic Development Administration for the Business Service Center through the Office of Research and Development, would need to be evaluated in terms of the adequacy of the existing institutional infrastructure for small business development. Seen in this light, new issues of strategic importance might arise, such as the effects of

the current tax structure on businesses that locate on the reservation and the comparative advantages that might be offered to businesses that choose to locate on, as opposed to off-reservation. Similarly, might the credit worthiness of local small scale entrepreneurs in the eyes of "outside" banks and other lending institutions be improved if they were licensed and given business permits by the Department of Commerce in accordance with the Comprehensive Business Code? How could the Comprehensive Business Code have helped self-employed heavy equipment operators more successfully utilize the skills acquired at the watershed restoration workshop to bid on off-reservation restoration contracts? Were hidden comparative advantages missed that might have given these contractors a competitive edge? Without asking such questions, potential opportunities were no doubt lost. In fact, almost every NEAI project could be (re-evaluated in terms of how it might have been more effectively designed and administered in light of these issues. A whole host of questions, issues, and opportunities arise that otherwise not only remain hidden, but in the long run sabotage well meaning but ill informed efforts to promote sustainable reservation development and reduce the unacceptably high unemployment and poverty rates that prevail on many reservations.

Embracing and strengthening tribal sovereignty and governance institutions as a necessary but not sufficient condition of economic development is an approach from which states will also benefit. The preponderance of evidence supports the contention that healthy, sustainable, and productive reservation economies benefit adjacent non-reservation economies through the provision of jobs, tax payments, and enhanced investments in environmental protection and restoration. Because sustainable reservation economic development depends on the effective exercise of tribal sovereignty, it stands to reason that states have a stake in supporting it. "Support tribal sovereignty, and you will make it possible for Indian nations not only to support themselves but to benefit non-Indian communities," (Cornell 2000:5).

## Conclusion

The historic struggles of the Hupa people to defend, maintain, and ultimately strengthen their self-determination and sovereignty, which were unusual in their degree of success and effectiveness, constitute an important backdrop for understanding their ability to avail themselves of NEAI opportunities. One manifestation of the long-term exercise of tribal sovereignty by Hupa people is the tribe's well developed governance structure and overall high institutional capacity. The effective exercise of sovereignty requires the development of such institutional capacity through which to satisfy the diverse requirements of governance. Governance structures of particular relevance for NEAI projects included the Loan Department, Office of Research and Development, Forestry Division, Hupa Language, Culture, and Education Program, and Fisheries Division. The existence of these various departments, divisions, and programs meant that the Tribe was well poised to take advantage of NEAI grant opportunities as they became available.

The exercise of sovereign rights by the Hoopa Valley Indian Reservation has entailed the development of a wide array of relations with different agencies and departments within the federal government, particularly the Bureau of Indian Affairs, Economic Development Administration, and Forest Service. Partly through the Tribe's participation in the Self Governance Program, as well as its own efforts to achieve greater degrees of self-determination and autonomy, the tenor of these relationships has gradually shifted to more closely approximate government to government relations between sovereign entities. These relations and the communication networks they entailed, preceded the NEAI. They played an important role in enabling the Tribe to keep abreast of NEAI opportunities and to prepare and submit grant proposals in a timely and efficient manner. Effective and efficient lines of communication developed as a result of the government to government relations obtained between the Tribe and the federal government, and facilitated the development of a successful track record of grant proposal writing and grant acquisition and management. Thus, the combination of well developed institutional infrastructure, relations with the relevant federal granting agencies, and the efforts of committed agency em-

ployees and CERT staff, combined to help the Hoopa Tribe successfully acquire, implement, and manage a wide variety of NEAI grants.

The infusions of capital represented by the various NEAI grants did make things better on the reservation in a variety of small ways. However, the broader long-term goals of helping to develop a more sustainable and productive reservation economy have remained elusive, as attested by persistent unemployment rates in excess of 50 percent and concomitant high levels of poverty. Transformation of reservation economies into productive and sustainable systems will not take place until hard questions concerning the implications of sovereignty for sustainable economic development are addressed and resolved. Until that is done, while individual grants may be deemed "successful" in terms of project-specific outcomes and goals, the broader NEAI goals of supporting economic diversification and the creation of sustainable economic activities, especially those not dependent on resource extraction, will not be achieved. American Indian reservations and the communities they contain exist within a completely different legal and institutional context than non-tribal rural communities. As a result of these differences, the requirements for successful and sustainable forms of economic development and appropriate and effective forms of intervention are quite different on reservations than off. The exercise of meaningful sovereignty and the development of effective and culturally appropriate governance structures and institutions are key elements of this process. While the Hoopa Valley Indian Reservation has been on the forefront nationally in terms of developing Tribal Business Codes and advancing this way of thinking about reservation economic development, much remains to be done before these conditions are fully met at Hoopa. Within the context of the sorts of interventions represented by NEAI and other federal programs for facilitating economic development, a necessary, but unfortunately uncommon step, is to think strategically about how programmatic interventions might strengthen both tribal sovereignty and the effective functioning of culturally appropriate institutions of governance. From the perspective of tribal and adjacent non-tribal economies, "tribal sovereignty is a win-win proposition" (Cornell 2000:5).

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Hoop Valley Indian Reservation, California

**Interviewees**

Nolan Colegrove	Director, Forestry Division
Greg Blomstrom	Planning Forester, Forestry Division
William Colegrove	Tribal Council Member
Joyce Johnson	Loan Officer, Loan Department
Jack Biondini	Tribal Member (formerly Roads Division)
Jack Norton	Director, Office of Research and Development
Elton Baldy	Nursery Manager
Keith Taylor	American Indian Community Coordinator
Daniel Jordan	Self-Governance Coordinator, Director-Department of Commerce
Anne Berblinger	Economic Development Administration
Paul Masten	Masten Logging
Mark Higley	Wildlife Biologist, Forestry Division
Mike Orcutt	Director, Tribal Fisheries Department
Robert Hostler	Former State CERT Representative
Callie Lara	Director, Hupa Language, Culture & Education Program
Debbie Coggins	USDA Rural Development
Pamela Mattz	Tribal Council Member
Dale Risling	Former Tribal Council Chair

## Appendix

### Humboldt County Option 9 Working Group

In 1993, the Humboldt County Option 9 Working Group was established. This 17 member committee was charged with making recommendations to the Board of Supervisors regarding the CERT process and with developing and implementing the process through which proposals would be solicited and evaluated. The Option 9 Working Group conducted a “massive media and community outreach program” to publicize the Option 9 program (Humboldt County, 1993). Community meetings were held in seven rural areas throughout the county. The meetings were staffed by representatives from the County Board of Supervisors, the Private Industry Council, the State Employment Development Department, the County Forest Advisor, and the Forest Service, among others. Newspapers, flyers, and mailings were also used for outreach purposes. Three-page NEAI proposal summary forms along with other information materials were distributed at the community meetings. Additionally, about 150 proposal packets were sent to key organizations and individuals throughout the county that were involved in NEAI-related activities. The Option 9 Working Group developed 12 criteria to evaluate and prioritize project proposals.

In order to evaluate the initial round of proposals the Board of Supervisors, in December, 1993, established a 21 member Option 9 Review and Ranking Committee. Each supervisor appointed four individuals to the committee, the 21<sup>st</sup> person was an additional “at-large” committee member. Each committee member had expertise in one or more of the following categories: business development, community development, workers and families, and ecosystems. Copies of the 193 project summaries that had been received by the December 15, 1993 deadline were distributed for ranking to each committee member. Each proposal was assigned a numerical score that reflected its ranking by the individual committee members; it was then forwarded to the State CERT for final ranking and distribution to the relevant lead agency. Successful applicants were then contacted by the lead agency.

This formal process of project solicitation and ranking was subject to some weaknesses. One weakness inherent in the structure of the process, as recounted by a committee member, was that Ranking Committee members invariably ranked projects in which they had a vested interest. This individual referred to the idea and purpose of the committee as a “valiant concept” but one that was inherently flawed because the process was “extremely politicized” and involved “many conflicts of interest as committee members ranked and fought for ‘their’ projects.” Also, the county-level rankings were only recommended rankings. Final prioritization was made by the State CERT. Opportunities also existed for well-positioned individuals to influence the process at that level, too. For example, one interviewee (and former Ranking Committee member) recounted an incident in which a county supervisor in an adjacent county leaned on an agency official to support “his” project proposal during the State CERT project prioritization process. Apparently, when the time came to make the final decisions regarding which projects to fund and at what levels, Supervisors and others used their influence to lobby for the projects in which they were particularly interested. As one of the then-county supervisors remarked, “it was a political and very messy process,” “the actual disbursement of funds was very messy.”

A second issue concerns inclusiveness. The county-level CERT process was not as inclusive as it would ideally have been because some small isolated communities had limited collective resources with which to engage the process. As one Ranking Committee member observed, some of the problems associated with inclusiveness could have been overcome by establishing a regional coordinator and assistance groups that could have helped communities “get into the process.” However, these steps were not taken.

After a couple of annual funding cycles using the Ranking Committee project prioritization method, the process was transformed. In an attempt at process simplification, a county community coordinator posi-

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tion was created and housed within the Employment Development Department of the county government, and the Ranking Committee was dissolved. Now the community coordinator worked individually with each applicant in an attempt to “massage the project” and teach the applicant how to seek funding directly from agencies, so that when the NEAI funds were gone, people and organizations would have the ability to seek other funds from federal and state agencies. During this period (1995 and on), the number of applications dwindled relative to the first two funding rounds. And, as described by the-then community coordinator, the general focus of the projects shifted to “bricks and mortar” community infrastructure projects; they “got way out of workers and spotted owls.” Gradually, as more and more applicants sought funding directly from CERT and the agencies themselves, the community coordinator position “evolved into other things.” Eventually the coordinator was cc’d project summaries simply “as a courtesy.”