

LOCAL NEWS

POWER, Cont'd from Front Pg.
tion, including organization and pricing.

To date, all business and community support letters received clearly support the community owned and operated option. The Akwesasne Power Authority believed that all three community government supported this option as well. However, during the public meeting it was announced by Randy Jock, Chairperson of the Interim Commission of the Akwesasne Power Authority, that the Tribal Council had submitted a "letter of intent" to the Wing Group. The Wing Group is a firm owned by John Wing which generally provides "up-front" funding for projects. The Group assists communities in developing projects for a profit. In a letter to Randy Jock from Ed Maurer, Organizational Consultant of R.W. Beck, he states that upon reviewing the Wing proposal they find that the proposal appears to be based solely on discussions held with the Tribal Council. Further, any profit or fee taken by the Wing Group may translate to higher electricity costs for the members of the Tribe. The Wing proposal, according to R.W. Beck staff results in two separate types of payments to them. The first payment is to reimburse Wing for all the "costs" associated with operating the utility. These include the cost of wholesale power, operation and maintenance expenses, administrative expenses, expenses to establish a reserve fund and debt service payments to recover capital costs. The second fee is for profit, over and above recovering all their "up front costs". Their request to reimburse costs prior to calculating the profit fee could reduce the community profit and/or drive up rates. Under these proposal items the Wing Group could benefit

from a high cost ratio where all conceivable expenses including overhead rate is reimbursed.

In the study completed by R.W. Beck and Associates, the estimated savings with Akwesasne owning and operating its own utility is \$350,000 the first year to \$1.8 million in the tenth year. Under the 50/50 split option in the Wing Group proposal they are looking for an annual fee equal to one-half of these savings. An alternative option in the Wing proposal is to take 10% right off the top for their annual fee for an indefinite period of time.

With the community owned approach, where the community assumes the development responsibility, all the profits associated with the utility stays with the community for the life of the utility. The Akwesasne Power Authority supports the community owned option. During the public meeting the Commissioners were asked why the Tribal Council has not supported their proposal. Randy Jock replied that is a question for the Tribe.

Jack said all the Akwesasne Power Authority is waiting for is a Tribal Council resolution supporting their proposal. He added that with the assistance of R.W. Beck and Associates, they (APA) have been able to secure possible investors for this project, including the possibility of the Bank of Montreal on Cornwall Island. The Bank of Montreal has shown interest in providing funding for this project. Jock stated that obtaining funding for community electric utilities is not a problem. The problem is that investors get nervous when there is not unified support for the project to succeed. For Akwesasne, all three community governments must sanction this project. The current stalemate with the Tribal Council has put the project on hold.

Ray Belanger of Northeastern General Contractors was present at the meeting. Northeastern is associated with the Wing Group. He said the Wing Group has secured funding for the Akwesasne Utility from Merrill Lynch up to \$20 million. Belanger stated that the Wing Group could put the entire system in place for the community without the community investing any up-front dollars. When Belanger was asked if the Wing Group had obtained Canadian support for the proposal he answered, "no". Further, Belanger stated that there have not been any negotiations between the Wing Group and the Tribal Council on what the final costs will be to the Tribe for the utility. He said the Wing proposal would support hiring as many Native people as possible to work the utility.

When Randy Jock was asked why he did not want the Wing Group to develop the project he said he had three reasons:

1. They are a non-Native group.
2. They are for profit group.
3. If expertise exists within the community we should utilize it as much as possible so the profits do not have to be shared and the money can remain within the community.

One community member said something must be wrong if the Tribal Council won't support this proposal when this utility should become a reality as soon as possible.

Akwesasne resident, Alma Ransom, said it's imperative that there be reliable power on the Quebec portion of the reserve. She said even if the Akwesasne Power Authority did a lousy job of providing power they would do better than Quebec Hydro. Alma added that she has spoken with many elders from the community and they strongly want the

Akwesasne Power Authority to succeed. She said she doesn't think anybody objects to pursuing this project.

Randy Jock said this meeting was held to allow the community members to speak for themselves on this project because the Tribal Council doesn't appear to be speaking for them.

There was a concern raised about Tribal ownership of the utility. The concern was whether or not the Tribe would raise community electric rates if they found themselves in a deficit.

Several options were put forward by community members on how to seek Tribal support for the community owned and operated utility.

In a telephone interview with Joseph Gray, Director of Public Information for the Tribal Council, he said the Tribe has been concerned about statements made in the newspaper. He said the statements said the Tribe was choosing a non-native "for profit" firm to develop the utility project. Mr. Gray said the R.W. Beck is a non-native firm and they will earn a profit for developing this project as well.

Gray was asked if the Tribal Council is selecting the Wing Group to develop their utility project. He said not necessarily. When asked about the "letter of intent" the Tribe sent to the Wing Group, he said to the best of his knowledge the Wing Group is only completing a pre-feasibility study. He said the Wing Group is contracting with Northeastern General Contractors to complete a study on community residential and business costs for power and an inventory of existing electric utilities equipment in Akwesasne. It was asked if R.W. Beck had already completed this study he said he didn't believe the R.W. Beck proposal included this information.

Grays said the Wing Group is completing this study without any money from the Tribe. He added that the work that is being done by the Wing Group could dovetail into the work completed by R.W. Beck. Further, the Tribal Council has never said they are not willing to work with the Akwesasne Power Authority. He said there are some issues that need to be resolved on both sides. The basic difference, according to Gray, is between the choice of contractors. Gray said the Tribal Council is choosing the Wing Group because they offer a wider spectrum of services than R.W. Beck and Associates. He noted that R.W. Beck is an excellent electrical engineering firm. However, they wanted the Wing Group who is familiar with how the federal communications system operates.

When asked if the Tribal Council was developing their proposal to include providing service to the Canadian portion of the reserve he said no. Gray said the Tribe will start off providing service to the American portion of the reserve because that will be easiest. He said once the system is up and fully operational they will look at providing service to the Canadian portion. He added that the Tribal Council is looking to develop a "government" owned utility. The "government" owned utility would not allow politicians to make decisions that a Board of Directors would be put in place to handle the business.

Randy Jock said it's important to get community input for this project so another public meeting is to be held on Saturday, April 29th at 1:00 pm at the Akwesasne Housing Authority Boardroom on Route 37 in Hogansburg.

