At its August meeting, the Bering Straits Native Corporation (BSNC) Board of Directors declared a dividend of $3.00 per share to be issued in December. The average BSNC shareholder who owns 100 shares of stock will receive $300.

“This is a record high dividend and a 20 percent increase from BSNC’s 2012 distribution,” said BSNC Board Chairman Henry Ivanoff. “This distribution will bring the total dollar amount of dividends distributed in 2013 to $1,899,900 and is a reflection of BSNC’s commitment to providing meaningful benefits to its shareholders.”

As an ANCSA corporation, BSNC believes that being a successful and sustainable Alaska Native Corporation requires more than financial results. The Company works to improve the quality of life of its share-

BSNC BOARD SELECTS LEE RYAN TO FILL VACANT SEAT

At a special meeting held on July 23, 2013, the BSNC Board of Directors selected Lee Michael Ryan, Vice President of Ryan Air, Inc., to fill the Board seat previously held by the late Martha Anagick Aarons, who passed away in June (please see tribute on page six). Mr. Ryan will serve a two-year term on the Board.

Mr. Ryan is the Chief Pilot for Ryan Air, where he has been employed since 1994. He has a bachelor’s degree in business administration from the University of Alaska Anchorage, and also attended Northern Arizona University.

He was born and raised in Unalakleet, and is the son of BSNC shareholder Wilfred “Boyuck” Ryan and his wife Victoria. In 2009, Mr. Ryan was recognized by the Anchorage Chamber of Commerce and the Alaska Journal of Commerce as a “Top 40 Under 40” professional. He currently serves as chairman of the State of Alaska Aviation Advisory Board.

“We are pleased to welcome one of our shareholder descendants to the BSNC Board of Directors,” stated Henry Ivanoff, Chairman of the BSNC Board of Directors. “Lee embodies the next generation of shareholders who will one day lead BSNC’s future growth and development. He was selected from a pool of 16 applicants, the highest number ever to apply to serve on the BSNC Board, all of whom were highly qualified.”

BSNC BOARD DECLARES $3 PER SHARE DIVIDEND

Record distribution to be issued in December

BSNC AND THE LAND

Part 1: ANCSA and the Bering Strait Region installment

By BSNC Vice President Resources and External Affairs Matt Ganley

INTRODUCTION: The following article is the first installment of a four-part series that will discuss the Alaska Native Claims Settlement Act (ANCSA), BSNC’s land base and how the corporation is managing this important asset. This first part outlines ANCSA and delves into the history of BSNC’s land selections (1968-1977). The second installment reviews BSNC’s early years and the difficulties faced by the corporation (1977-1995). The third will outline BSNC’s recent history (1995-2013), as land conveyances were finalized and the corporation diversified its business ventures. The fourth and final installment will discuss BSNC’s land holdings, the history of exploration and development on its lands, and the plans for future land management and economic development.

THE BERING STRAITS REGION PRE-ANCSA

By 1968, the year after the Alaska Federation of Natives (AFN) held its first meeting, the state was blanketed by a patchwork of villages and communities organized as Native Villages under the Indian Reorganization Act of 1937 (IRA), regional non-profit organizations, a few Native reserves (with lands set aside for reservations), and one reservation. Merging these varied forms of government and authority for the purposes of a statewide solution to indigenous claims would not prove easy.

Alaska Native groups throughout the state were organizing to press for a land claims settlement. For the Bering Strait area, three land reserves had been previously created under the IRA: Wales in 1943 with 21,000 acres, Diomede in 1946 with 3,000 acres, and Unalakleet...
A MESSAGE FROM THE PRESIDENT
By Gail R. Schubert, BSNC President and CEO

AFN time is always a special time of year in Alaska. It is an event that I have always looked forward to and enjoyed. From catching up with old friends to the incredible Native art from across our diverse state... AFN is a rewarding experience. But AFN is business too, and every year when the Convention convenes, I am reminded of the strength that Alaska Native people share in numbers, and know that we have come a long way from where we were prior to the passage of the Alaska Native Claims Settlement Act (ANCSA). We are on the right track.

Prior to the passage of ANCSA nearly 42 years ago, Alaska Native leaders were galvanized by statehood, and realized that Alaska Native people needed to unite politically if we were to have a voice in the resolution of indigenous land claims. The answer to this need was a statewide Native organization that disregarded cultural and regional differences. This led to the creation of the Alaska Federation of Natives (AFN) in 1966, the first statewide Alaska Native institution. It served as the catalyst in negotiating the provisions and the structure of ANCSA.

Fast forward to today, and we have come so far. Since the passage of ANCSA, Alaska Native corporations have grown into Alaska’s economy’s businesshouses. BSNC recently reached number 17 on Alaska Business Monthly’s top revenue-producing Alaska-based companies. Alaska Native corporations have helped to enhance Alaska Native people’s quality of life by delivering benefits such as employment, revenues, and resource development to remote parts of our state.

BSNC’s own direct benefits to shareholders include dividends, an employment preference for shareholders, descendants and shareholder spouses, and providing funds to the Bering Straits Foundation (BSF), which helps BSNC shareholders and their direct inel descendants attain their educational and vocational goals by offering scholarship opportunities.

Under the leadership and support of BSNC’s Board of Directors and through the hard work of our management and staff, the Company is continuing to seek sources of capital for resource development that will contribute to self-sustaining economic prosperity in our region. Future generations of BSNC shareholders should be able to live healthy and prosperous lives without ever leaving home. I envision BSNC shareholders and descendants continuing our traditional and subsistence-based ways of life, in concert with management and development of our natural resources, which will create sustainable economic development and build stronger, healthier communities.

With this vision in mind, BSNC continues to implement strategic and financial changes designed to improve and strengthen our path to long-term economic sustainability by diversifying revenue sources, working to foster cooperation among local and regional entities, and by seizing upon new opportunities with a special focus on our region.

As reported in 2010, BSNC partnered with Kawerak, Inc., Norton Sound Economic Development Corp., and the village corporations of Sitka, Sax, Mary’s Igloo, White Mountain and Talkeetna, to purchase Pilgrim Hot Springs. The Alaska Center for Energy and Power, in coordination with UNA, is currently drilling what may become a production well for geothermal-generated electricity, a renewable resource which could eventually serve as an on-site power plant with a transmission line to Nome.

The growing potential of the Arctic is a high priority for BSNC. Management continues to pursue the project to Port Clarence, also known as Point Spencer, under ANCSA. Port Clarence is opportunistically located to support marine vessel traffic between the Arctic Ocean and the Bering Sea as it increases due to expanding ice-free northern water routes.

BSNC is working toward a bright future. Quyanna for your continued support and involvement.

A MESSAGE FROM THE PRESIDENT
How Will the Affordable Care Act Affect You?

The Act will require that every U.S. citizen, including children, show proof of coverage by the time you pay taxes in April 2014.

For more information on the Affordable Care Act, please visit healthcare.gov or call 1-800-367-2233.

WHAT IF I ALREADY HAVE HEALTH CARE COVERAGE?
If you have health care coverage through Medicaid, Medicare, Dental Plan, Veterans’ Benefits or your employer provides health insurance, you have met the requirements of the Individual Mandate and do not need to purchase additional health care coverage.

WILL I STILL BE ABLE TO GET HEALTH CARE SERVICES AT MY IHS/TRIBAL HEALTH FACILITY?
Yes, you will still be able to get care at your IHS/tribal health facility. The health care services provided at IHS/tribal health facilities are not changing.

HOW DO I ENROLL IN A TRIBE?
Tribal enrollment rules are different for every Tribe. You are most likely to contact your local Tribal enrollment office to learn about what is required for enrollment. Tribal addresses can be found at www.ncai.org/tribal-directory. You can also contact the Bureau of Indian Affairs, Alaska Regional Office, at (800) 645-8465, option 1.

DOES MY CERTIFICATE OF INDIAN BLOOD (CIB), ISSUED BY THE BUREAU OF INDIAN AFFAIRS (BIA), COUNT?
While the CIB is an important document, you will still need to show proof of tribal enrollment to qualify for the exemption from the tax penalty.

DO I HAVE TO ESTABLISH BLOOD QUANTUM?
Some Tribes may require a minimum blood quantum, so it is important to contact the Tribe.

HOW DO I ENROLL IN A TRIBE?

BSNC BOARD OF DIRECTORS

BSNC BOARD OF DIRECTORS

ALASKA FEDERATION OF NATIVES CONVENTION RECAP

BSNC President and CEO Gail Schubert attended the Alaska Federation of Natives convention in Fairbanks where she helped honor Denali Award winner Dr. Lawrence D. Kaplan, whom BSNC nominated. Dr. Kaplan began his teaching career in Linguistics at UA’s Alaska Native Language Center (ANLC) in 1974. After receiving his Ph.D. (1979) for his thesis “Phonological Issues in North Alaskan Inupiaq”, he served as ANLC’s Acting Assistant Professor of Inupiaq (1983), Associated Professor of Linguistics (1984), and Professor of Linguistics (2001). From 2000 to 2013 he has served as ANLC Director.

His publications document, promote and protect Alaska Native languages and include “Wales Inupiaq Sea Ice Dictionary,” “Comparative Eskimo Dictionary (with Aleut Cognates),” “Husliaq Phrases and Conversations” and “Unugmunq, Quillpait, King Island Tales” (with Frank and Ursula ELana) He is currently working on the “Qawaraq Inupiaq Dictionary,” “King Island Inupiaq Dictionary” and “Qajaq.”

BURING STRAITS NATIVE CORPORATION

BERING STRAITS NATIVE CORPORATION

HISTORICAL SPOTLIGHT: EMILY “TICASUK” IVANOFF

Educator Emily “Ticasuk” Ivanoff Brown was dedicated to perpetuating Alaska Native languages and recording and passing on traditional Inupiaq oral history and knowledge. She was born in Unalakleet in 1904 to Amelia (Malquay) and Stephan Ivanoff. Her Inupiaq name, Ticasuk, means “a hollow place in the ground where the four winds store the treasure they gather from all parts of the world.” She taught as a grade school teacher for 30 years at schools in Kotzebue, Unalakleet, Shaktok and Muddy River, advocating for bilingual education and developing a curriculum for the instruction of Inupiaq in elementary schools. She also helped produce a dictionary for her own Malimut dialect and organized the Alaska Heritage Writer’s Association.

Emily was a life-long learner: During her lifetime she earned two bachelor’s degrees and a master’s degree. Her master’s thesis was published into a book, “Grandfather of Unalakleet,” which was later reprinted as “The Roots of Ticasuk: an Eskimo Woman’s Family Story.” She received many awards throughout her lifetime, including a presidential citation from Richard Nixon for her “volunteer service to others, in the finest American tradition.” She was working toward earning a doctoral degree when she passed on at the age of 78 on May 3, 1982. The University of Alaska awarded her an honorary doctor of humanities degree on May 9, 1982.

Robert (Bobby) Evans, Director
Neil W. Foster, Director
Louie Green, Jr., Director
Homer E. Hoogendorn, Director
Steve Ivanoff, Director
Lee Ryan, Director
Tim Towarak, Director

MONTHLY STOCK WILL DRAW WINNERS

May 2013   April Ellanna, Nome
June 2013   June Kari, Walkie Charles, BSNC President
July 2013   Katie Elinna, Nome
August 2013   Tracy Ahnangnatoguk, Brevig Mission
September 2013   Dean Kuzuguk, Shishmaref

MAIL IN YOUR UPDATED STOCK TODAY AND BE ENTERED INTO A DRAWING TO WIN $200!

DO I HAVE TO ESTABLISH BLOOD QUANTUM?

BSNC BOARD OF DIRECTORS

Robert (Bobby) Evans, Director
Henry Ivanoff, Chairman
Eugene Asicksick, Vice Chairman
Gail R. Schubert, President & CEO
Roy Ashenfelter, Secretary
Fred Sagoonick, Assistant Secretary
Clara Langton, Treasurer
Percy Nayokpuk, Assistant Treasurer
Jason Evans, Director

DO I HAVE TO ESTABLISH BLOOD QUANTUM?

DO I HAVE TO ESTABLISH BLOOD QUANTUM?

DO I HAVE TO ESTABLISH BLOOD QUANTUM?
MISSING SHAREHOLDERS ADDRESSES

This instrument shall be governed by and construed in accordance with the laws of the State of Alaska.

Are you receiving important mailings from BSNC, including newsletters and dividends? It is important that shareholders keep their mailing address up-to-date. Visit http://beringsstraits.com/shareholders/forms/address_change_form.pdf or call (907) 443-5252 to update your address.

SHAREHOLDER NAME AND ADDRESS CHANGE FORM

BSNC shareholders should update the Shareholder Records Department directly in writing anytime their mailing addresses or names change. Address changes for shareholders under the age of 18 must be signed by the minor’s custodian. Mail in this form or send a signed letter with your social security number, date of birth and new address to:

BSNC Shareholder Records
P.O. Box 1908
Nome, AK 99762

Print name: ________________________________

New mailing address: ________________________________

Social security number: ________________________________

Date of birth: ________________________________

Contact phone number: ________________________________

Email address: ________________________________

If applicable: ________________________________

I am also a custodian for: ________________________________

Signature: ________________________________

Date: ________________________________

MAIL COMPLETED FORM TO:
Bering Straits Native Corporation
P.O. Box 1908
Nome, AK 99762

This will void any bequest of the stock, described above, in any previously existing will or codicil. If no new more shares than I have bequeathed above, I direct that the remaining shares shall be split pro rata among the persons named above. BSNC recommends that all existing fractional shares of stock be given to one person, and that existing whole shares be given as whole shares and not split into fractional shares.

This instrument shall be governed by and construed in accordance with the laws of the State of Alaska.

Date at ________________________________________

City: ____________________________ State: ____________________________

day of __________, 20__

Signature of Testator: ________________________________

I, being first sworn, declare that the testator signs and executes this instrument as h/she last will and that h/she signs it willingly; and I sign this will as witness of the testator’s signing, and that to the best of my knowledge the testator is 18 years or older, of sound mind, and under no constraint or undue influence.

Notary Public or Postmaster

In and for the State of ____________________________

PILgrim hot springs update

testing for geothermal prospects underway

A drilling crew works to determine the geothermal potential at Pilgrim Hot Springs, located north of Nome.

There is some exciting activity happening at Pilgrim Hot Springs this fall! The Alaska Center for Energy and Power, in coordination with Unalcatl, LLC, and Potelco, is drilling what may become a production well for geothermal-produced electricity. If, after extensive testing, it is determined there is enough hot water at the wellhead, planning and design for an on-site power plant and transmission line to Nome will commence.

The hot springs, located north of Nome, are owned by Unalcatl, LLC. Sustainable economic development in the Bering region is important to the Company, which is one reason why BSNC partnered with Potelco, Inc., NSEDC and the village corporations of Sihanaut, Mary’s Igiugig, White Mountain and Teller, and NSEDC to form Unalcatl, which purchased Pilgrim Hot Springs in 2010.

ALASKA conservation foundation offers grants

Funding to support Native organizations that address emerging environmental issues

The Alaska Conservation Foundation’s Alaska Native Fund Steering Committee awards funds for Alaska Native organizations and individuals working to address emerging environmental issues that impact Alaska Native ways of life. The Fund supports Alaska Native people and organizations combating issues surrounding:

• Climate change
• Food security
• Energy
• Holistic wellness

Learn more by visiting http://alaskaconservation.org/grant-opportunities/alaska-native-fund/ or www.facebook.com/ANNativeFund.

BSNC and the land

continued from page 1

In 1941 with 870 acres, White Mountain and Shishmaref had proposed reserves but these were voted down by the residents. There were two other reserves within the region which had been established by Executive Order of the U.S. President: White Mountain in 1925 for 1,200 acres and Elm in 1925 for 316,000 acres. Approximately half of the region’s villages petitioned for reserves in 1950 but no further action was taken to consider the filings.

As a result of the formation of APN and the pressing issue of land claims settlement, protest filings were submitted by regional groups in 1968. These claims, combined with the pre-existing reserves and IRA petitions for reserves, set the stage for what would eventually become ANCSA. The Seward Peninsula Native Association and the Arctic Native Brotherhood jointly filed protest F-166, which claimed lands beginning at Shishmaref and extending toward the Seward Peninsula to the east bank of the Yukon River.

The lead up to a final land settlement took three years of Congressional Committee and Sub-Committee hearings and numerous field hearings to gather opinions and expertise in the issues surrounding the Act. In the end, ANCSA was passed on Dec. 18, 1971. Through Public Land Orders and ANCSA, the U.S. Secretary of the Interior withdrew vast tracts of land from any form of appropriation in anticipation of selection by the regional and village corporations. Additionally, lands were set aside under Section 17(d) for inclusion within, or creation of, new Federal Land Management Units. These latter lands would become the basis for the Alaska National Interest Lands Conservation Act of 1980 (ANILCA).

LAND SELECTIONS

The eventual passage of ANILCA established new federal management units and established a rural preference for hunting and fishing on federal lands through Title VIII. For the BSNC region, the primary lands that were not eligible were the (now) Bering Land Bridge National Park, and lands along the Unalakleet River that were selected for inclusion in the National Wild and Scenic Rivers System, a designation for certain protected wild areas. Some land south and west of St. Michael would become a portion of the Yukon

BSNC and the land - continued on page 8
The 2013 Annual Meeting of Shareholders was held Oct. 5 in Nome, Alaska. More than 3400 shareholders voted by proxy and more than 170 shareholders are estimated to have attended the meeting. No binding or advisory resolutions passed. Shareholders voted on the election of five board directors. All incumbents retained their seats on the board.

ELECTION RESULTS:
Timothy Towarak received 14.9 percent of the votes (251,597,2826)
Gari Anglick Schubert received 14.4 percent of the votes (243,260,443)
Louis Green, Jr. received 13.8 percent of the votes (233,610,213)
Clara Langton received 12.9 percent of the votes (218,315,7659)
Eugenie Asick received 12.1 percent of the votes (205,324,712)

The Board of Directors honored the late Martha Anagick Aarons, a Board member who served until her passing in June, with plaques to her family recognizing her service to the Board and BSNC’s shareholders. BSNC recognized the winners of its first annual Young Providers Award Jalen Katchatag of Unalakleet and Thomas Postgogoshik of Shishmaref, and its Elders of the Year Award winners:
Council Native Corporation
Shishmaref Native Corporation
Sitka-Skaaxi Native Corporation
Unalakleet Native Corporation
Unalakleet Native Corporation
Wales Native Corporation
White Mountain Native Corporation

ELECTION RESULTS:

Clara Langton received 12.9 percent of the votes (218,315,7659)
Louis Green, Jr. received 13.8 percent of the votes (233,610,213)
Gail Anagick Schubert received 14.4 percent of the votes

Monthly’s 2013 list of the top 49 revenue-producing Alaska-owned and-operated businesses included Alaska North, ASAP, Bristol Bay Native Corporation, Cargill, Dillingham, Delta Air Lines, HAA, Marathon, Marubeni, Northstar, Rugged Slim, St. Elizabeth’s, Twentymile, Unalakleet Native Corporation, and WCI. These top 49ers represent a diverse range of industries, including healthcare, transportation, energy, and technology.

Education has always been an important part of Amber Ryan’s life. After working as a CNA at Oqaqam Care Center the summer of 2009, she was inspired to further her education by working toward a degree in nursing. She completed her nursing program in December 2012 and became a registered nurse in May of 2013. Her first day of work was on Memorial Day at the new Norton Sound Regional Hospital in Nome.

“After giving birth to my son, Phoenix, I decided it was time for me to apply for and complete a degree program,” said Ms. Ryan. She applied for and was accepted to the University of Alaska Fairbanks-Western Campus two-year nursing program in Nome. “It was perfect because that meant that I didn’t have to move away from my family to earn my degree.”

“I would like to encourage all those who have the motivation to further their education to do so,” said Ms. Ryan. “Set goals, apply for a program, and know that once you begin a program, there is a finish line at the end of it: A finish line of success and a door that opens your life to many opportunities to follow with furthering your education.”

BSNC congratulates Amber on her accomplishments and thanks her for helping to meet the health care needs of the people of the Bering Strait region.

Recipient Success Story: Amber Ryan
With BSF support, a new nurse starts her career in her hometown, Nome

BSNC President and CEO Gary R. Schubert accepts an award plaque from Alaska Business Monthly’s Charley Alt at their annual awards luncheon honoring Alaska’s Top 49 revenue-producing companies. BSNC ranked number 17 on Alaska Business Monthly’s 2013 list of the top 49 revenue-producing Alaska-owned and headquartered companies, having posted $123 million in revenue in 2012. Alaska Business Monthly selects the Top 49ers by surveying Alaska companies that are at least 51 percent Alaskan-owned and headquartered in Alaska.

Northern Economic Development (NCAIED) as a Native American 40 Under 40 award recipient. Dr. Darby recognizes emerging Native leaders from across Indian Country who have demonstrated leadership, initiative, and dedication and made significant contributions in business and/or in their community.

Business Monthley’s Charles Bell at their annual awards luncheon honoring Alaska’s Top 49 revenue-producing companies. BSNC ranked number 17 on Alaska Business Monthly’s 2013 list of the top 49 revenue-producing Alaska-owned and headquartered companies, having posted $123 million in revenue in 2012. Alaska Business Monthly selects the Top 49ers by surveying Alaska companies that are at least 51 percent Alaskan-owned and headquartered in Alaska.

Northern Economic Development (NCAIED) as a Native American 40 Under 40 award recipient. Dr. Darby recognizes emerging Native leaders from across Indian Country who have demonstrated leadership, initiative, and dedication and made significant contributions in business and/or in their community.

Dr. Darby is a board-certified Neurologist and Sleep Medicine physician at the Virginia Mason Medical Center in Seattle, Washington. She is the daughter of BSNC shareholder Ella Anagick and granddaughter of BSNC shareholder Betty Anagick. The 2013 Native American 40 Under 40 Awards were presented at NCAIED’s 8th Annual Indigenous Annual Progress in Business Awards Gala on Oct. 24 in Arizona. Dr. Darby and her husband Anthony are expecting their first child in November.

BSNC SHARERDEER 40 UNDER 40 Awardee

National award honors young leaders

BSF and its subsidiaries, affiliates and joint ventures want to hire qualified shareholders, descendants, and shareholder spouses along with promoting qualified in-house staff to meet newly created or vacated positions. Please check out open positions and share this link with your family and friends:
WWW.BERINGSTRATS.COM/CAREERS

BERING STRAITS FOUNDATION NEWS

Are you receiving important mailings from BSNC, including dividends? It is important that shareholders keep their mailing address up-to-date. Visit http://beringstraits.com/shareholders/forms/address_name_change.pdf or call (907) 443-5252 to update your address.

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BERING STRAITS NATIVE CORPORATION

SIGHTS AND THE LAND
Continued from Page 5

Delta National Wildlife Refuge. Along with these exclusions, the Alaska Native Allotment Act of 1906 was slated to be closed upon the passage of ANCSA; however, any applications pending at the time of its passage would be eligible for settlement.

Each village corporation could select lands within “core townships” and the regional corporation would be conveyed the subsurface estate underlying the village’s surface estate. As stipulated in ANCSA, the regional corporation would receive the subsurface estate to the lands selected and conveyed to the village corporations and would also be given an opportunity to select surface and subsurface estate within or adjacent to the village corporation’s areas for conveyance through Section 14(h) of the Act.

Formed in 1972, BSNC and the region’s villages would have only until 1977 to file all land selections available through ANCSA. The first BSNC Board of Directors was faced with the task of identifying lands that could then – or might someday – provide positive future economic benefits or sustain traditional livelihoods for the Company’s 6,300 enrolled shareholders. Areas chosen were Salmon Lake, Glacial Lake, the area along the Kougark road to the Pilgrim River, and the north and south shores of Irmuruk Basin (Agiapuk River delta and Windy Cove). While other regions in the state have timber or oil reserves, the Bering Strait region has minerals. For BSNC, this meant selecting areas with tin and gold potential (Cassiterite Peak, Mount Distin, the Kougark area, and Christmas Mountain), possible oil and gas (Reindeer Cove), geothermal reserves (Lava Creek), and uranium and rare earth deposits (Mount Arathlatulik).

The 17 village corporations within the region would receive approximately 2 million acres of surface estate. Some village corporations chose whole watersheds to protect their subsistence/tradition areas (Mary’s Igloo, Koyuk, and others), some selected the shoreline for the sealing camps and access to ocean they depended upon (Shaktoolik, Golovin, St. Michael), and others combined their traditional land needs with lands that might have future potential for other uses (Sithmasuk, Council, Inalik).

UNDERSTANDING SPLIT ESTATE AND 7(i)
Land that is divided and shared between an ownership of the surface estate and one of the subsurface ownership estate is what is known as a “split estate.” As applied under ANCSA, the subsurface estate is comprised of a set, or bundle, of rights that allow the owner the right to access, develop and benefit from the minerals, oil and gas, and geothermal resources located within the lands. Invariably, this sharing or splitting of the lands causes tension between the surface and subsurface owner.

In anticipation of the tension “split estate” would cause, the framers of ANCSA created a specific section that requires a major portion of all proceeds from subsurface resource development to be redistributed to all regional and village corporations. This is a means of insuring that the benefits from development accrue not only to the subsurface owner (regional corporations) but also to the surface owner (village corporations). Section 7(i) of ANCSA also applies to timber resources and requires that 70 percent of all profit from resource development be distributed to all other regional corporations on a per capita basis. Each regional corporation, in turn, must distribute 50 percent of the 7(i) receivables to their respective village corporations. These annual, semi-annual, or quarterly payments to the village corporations are called 7(j) payments.

In effect, village corporations (surface estate owners) receive 35 percent of all profit generated from any mining, oil, or timber development on ANCSA lands. If a shareholder of the regional corporation is not a member of a village corporation (an “at-large” shareholder) that person receives a portion of the 7(j) funds based on the per capital formula. It is important to remember where this source of money comes from and that Section 7(i) was an equitable distribution derived from the irregular pattern of resource wealth in the state.

Next: BSNC’s early years