



BERING STRAITS NATIVE CORPORATION NEWSLETTER

P.O. Box 3396

Anchorage, Alaska 99510

July, 1981

ANNUAL SHAREHOLDERS MEETING

The Annual Shareholders Meeting of the Bering Straits Native Corporation was called to order at 10 AM on Saturday, May 9, 1981. Since a quorum of shareholders was not present the meeting was adjourned until 2 PM at which time a quorum had been established and the meeting was called back to order by President Charles Johnson.

This year's meeting was then opened with an invocation given by Carl Ahwinona. The Board of Directors were introduced, and the shareholders were welcomed to Nome.

The meeting agenda was adopted and the address of President Charles Johnson followed. Mr. Johnson stressed the importance of the 5 Year Plan and discussed the impact that this kind of planning would have on strengthening and insuring a viable future for the Corporation. This message was echoed by George Walters who also indicated he was very optimistic about the future of the Corporation. Mr. Johnson's message also included an expression of appreciation to all who had worked on the Potlatch and declared that through their efforts the gathering had been a success. Mr. Johnson then took a few moments to inform the audience that the search for Martin Olson was continuing, that a fund had been set up to pay the expenses of the search and that a scholarship fund had been started in Martin Olson's behalf.

The adoption of the minutes of the 1980 Annual Shareholders meeting was then called for and approved.

Business reports were then called for and Mr. Dick Davis, Executive Vice-President of BSNC, gave the management report. Through his report Mr. Davis informed the shareholders that the Corporation was now able to concentrate on the future and not just on the problems of old debt which had troubled the Corporation in the past. Mr. Davis explained that the

continued support of the shareholders is important at this stage while the Corporation is involved in intensive planning efforts with the 5 Year Plan. He noted that

(Continued on next page)

PRESIDENT'S LETTER BSNC SUMMER PLANS

This summer finds us busy on several fronts as we continue to develop our future plans.

As I mentioned in the Annual Report, we are working to improve village fiscal and land management. We are planning to have at least 3 people in our office who will be working on village matters. These people will be responsible to the villages and will be directed by the villages in their activities. One person will assist the villages in their accounting, book-keeping and tax reporting. One person will be working primarily on land use and management. As we received more requests for land use assistance regarding such items as easements, walk on sampling, navigation sites, etc., it became apparent that we needed someone not only to assist with development of land use plans but also to handle land use from the village standpoint and perspective. The third person, provided we can get funding from the state, will work on 14c(3) reconveyances to the cities and the state. ANCSA and D2 both have provisions requiring each village to give back

DOOR PRIZE WINNERS

This year as every year door prizes were awarded at the Annual Meeting of the Bering Straits Native Corporation. The following people are this year's winners:

- First, \$1,500**
Wanda L. Jackson, Nome
- Second, \$750**
Harold Ahmasuk III, Nome
- Third, Nome trip for 2**
Marie A. Barker, Seattle
- Fourth, Shotgun**
Margaret Olanna, Brevig Mission
- Fifth, \$300 (shopping spree)**
Larry Bullard, Jr., Bremerton, WA
- Sixth, \$133.90 (radio)**
Elizabeth J. Burt, Oregon, MO
- Seventh, \$100 Savings Bond**
Ethel K. Seradelook, Wales
- Eighth, \$100 Savings Bond**
Arlene Sookiyak, Shaktoolik
- Ninth, \$100 Savings Bond**
Kristina J. Walton, Vallejo, CA
- Tenth, \$100 Savings Bond**
Clarence Katchatag, Jr., Shaktoolik

CONGRATULATIONS!

(Continued on page 4)

BSNC OFFICERS AND DIRECTORS

Lonnie O'Connor	Chairman
Charles Johnson	President
Henry Ivanoff	1st Vice President
Chuck Degnan	2nd Vice President
Suzanne Wassmann	Secretary
Blanche Walters	Treasurer
Frances Degnan	Asst. Sec./Treasurer
Paul Johnson	Sergeant at Arms
Richard Atuk	
Bill Barr	
Cornelius Dan	
Vernon Olson	
John Pullock	
George Walters	

ANNUAL SHAREHOLDERS MEETING (Continued from page 1)

these things, together, would be the cornerstone of the future of the Corporation.

Mr. Richard Atuk, Vice-President of Land and Resources, gave the land report and indicated that there are four immediate to short term goals of the Land Department. These are to establish a land records system, to complete all surveys by 1985, to have a subsurface mineral agreement by January of 1982 and to develop mineral and gravel policies. After Mr. Atuk finished his report there was a lengthy discussion of the definitions of surface and subsurface rights and what effect mineral development in the region might have on the culture. Mr. Johnson pointed out that the first item of the 5 Year Plan is to protect the culture.

Mr. Vern Olson then gave the Treasurers report. He stated that the pre-payment from the state had relieved alot of pressure on the Corporation. He then informed the shareholders that the operations losing money had been discontinued and he thanked the management and staff for the turnaround.

Mr. Kemp, an auditor with Ernst and Whinney gave his audit report at the direction of Blanche Walters of the Audit Committee.

Mr. Johnson, after stating that almost all activities of BSNC would be moved to Nome, introduced John Tetpon as the new

MARTIN OLSON SHAREHOLDER OF THE YEAR

Martin Olson, well known in Northwest Alaska as a trader, store-keeper and pilot, was voted Shareholder of the Year at the Annual Meeting of the Shareholders of BSNC. Martin, an officer of the Corporation since its formation in 1972, has held the positions of First Vice-President, President and Chairman.

Deputy Director of Kawerak, Inc. Mr. Tetpon then highlighted the activities that Kawerak is involved in including offshore development, protecting native lifestyle and subsistence, reindeer herding and audit education programs. He also mentioned that Kawerak had received funding for cultural heritage preservation of documents and fisheries development.

Before recessing the meeting Charles Johnson stated the Board's concern over the small turnout at this year's Annual Meeting. He indicated that the Board would like comments from the shareholders concerning this matter.

Upon reopening the meeting the chair opened the floor to nominations for the positions open on the Board of Directors. Twenty-five shareholders were nominated after which the meeting recessed again to prepare the ballots and allow the shareholders to play bingo.

The polls opened at 6:50 PM and the shareholders had forty minutes in which to cast their ballots. The meeting was called back to order at 8:20 PM with the election judges reporting that the total votes cast were 1,531,450. One-tenth of that plus 1 was required for the election of a Director, or 53,166 votes. The top five Directors elected were:

Frances Degnan.....	326,538
Vern Olson.....	314,190
Bill Barr.....	313,245
Paul Johnson.....	291,322
Vernon Kugzruk.....	261,221

It was also reported that the proposition approving fees and per diem had passed, as had the proposition approving Ernst and Whinney as independent auditors for 1981.

Prior to adjourning the meeting Charles Johnson yielded the floor to Vernon Kugzruk who moved that BSNC give yearly recognition to a "Shareholder of the Year" and to an "Employee of the Year". The motion carried and Martin Olson was named "Shareholder of the Year" and Cathy Tobuk was named "Employee of the Year". This business being completed Charles Johnson thanked the shareholders for their patience and attendance at this year's Annual Meeting and then adjourned the meeting.

ATTENTION SOUTH CENTRAL ALASKA SHAREHOLDERS

Our Anchorage office has been approached by various shareholders to hold an informational meeting in Anchorage to discuss our annual report and other business matters.

So that we may get the best turn out possible, please indicate a good day and time of day to have this meeting. Please drop a note to our office: Bering Straits Native Corporation, P.O. Box 3396, Anchorage, Alaska 99510 or call 276-1322 and leave a message.

MISSING SHAREHOLDERS

The following is a list of shareholders who we do not have current addresses for. If you know the location of anyone listed below please contact the Nome office at (907) 443-5252.

Achayok Jr., Charles	Haas, Lorraine M.	Mayac, Earl Aissona
Adams, Martha	Hanaka Sr., Joe Simon	Mayac, Thomas K.
Alexander, Marion Willuk	Hanaka, Jacob Ronald	Mayokok, Robert
Anderson, Owen Patrick	Hawk, Minni Mary	McAlpine, Lena Frances
Atluk, Frank Yumik	Helton, Doris	McAlear, Anna Joyce
Avessuk, Nina June	Hengten, Brian Keith	McConnell, Gary Paul
Baker, Larry Lee	Herman, Thomas Siksik	McGuire, Ronald
Beaver, Ebba Arlene	Herrmann, Asa June	McKay, Alison June
Bell, Craig William	Hewitt, Barbara Jean	McKay, Crystal Jeanne
Beltz, George Ernest	Hudson, James R.	Melland Jr., Douglas
Beylund, Adelard Troyson	Hull, Edna Gloria	Melland Sr., Douglas W.
Binford, Patrick Ollana	Hunter, Barbara Joan	Melland, Lynn Marie
Blandford, Marian Molly	Ione, Irene Ann	Miller, Gertrude
Blanchford, Hilda A.	Ivanoff, Karl M.	Morgan, Bridget Anatook
Blanchford, Jack	Iyatunguk, William Levy	Nagozruk, Barbara Florence
Bogan, Dennis Neil	Jack, Vitas	Nagozruk, Floyd Ootuk
Bogojavlensky, Sergei	Jackson, Edward Peter	Nakak, Alfred Charles
Bowman, Ruben Lewis	Jager, Christalina F. J.	Nashoalook, Burl Matthew
Brown, Phillip Thomas	Jemewouk, Donald Fred	Nieuwendorp, Lyle Clayton
Buchanan, Bruce Malcolm	Johnson, Jennifer Metro	Octuk Sr., Thomas Keelick
Buck, Mary	Jones, Rose Marie	Okbaok, Anna Sharon
Burns, Leota Ann	Kakik, Joseph Rodney	Quillock, Paralee R.
Butler, Agnes Marie	Kaloke, Alfred Thomas	Quilluk, Freida
Charles, Franklin Ronald	Kaloke, Doris Evelyn	Otten Sr., Moses
Charles, Michael Duane	Kane, Margaret L.	Otten, Hilma Rose
Christensen, Paula Ann	Kasgnoc, Vонcille	Otten, William
Cockett, Elizabeth Jo	Kasgnoc, Tommy Martin	Otton, Wallace Harold
Coffey, Margaret Jane	Katchatag Jr., Ralph	Outwater, Clinton Richard
Cooper, Linda Marie	Katchatag, Ellis Dean	Oxereok Jr., Frank K.
Copley, Ruth Gladys	Katchatag, Gregory Lee	Oxereok, Janet Marie
Cowger, Virgil	Katexac, Romald K.	Oyoumick Sr., Merlin A.
Cox, Lester Young	Kenworthy, Stanley	Ozereok, Victor
Cragle, Blanche Lorene	King, Margie	Paneok, Kenneth Ralph
Craun, Robert A.	Klein, Rosina Bibiana	Payenna, Michael Francis
Culbertson, Bernice Betsy	Kobuk, Agnes Frances	Payenna, Vincent
Dalrymple, Mary R.	Kokochuruk, Alice	Pederson, Evelyn Kitty
Desarro, Viola M.	Komok, Rose Marie	Penatac Jr., Edward
Dirks, Frances A.	Koonooka, Marjorie	Penatac, Gerald
Donajkowski, Leona Mae	Koonuk, Christine	Penatac, Grace
Dotomain, Roseanne Ruth	Koutchak, Eric Newman	Penatac, Raymond A.
Douglas, Isabelle Shirley	Koweluk, Patricia M.	Petersen, Robert
Drury, Sabina	Kraft, Daniel Arthur	Peterson, Roberta Myrtle
Duley, James Patrick	Kruse, Vicki Lynn	Powell, Richard Clay
Eakon, Marion Ruth	Kugzruk, Phillip	Powell, William George
Eben, Phillip Axel	Kugzruk, Lydia	Prieto, Ramona G.
Eisenhour, Meta Mae	Kungesuk, Gordon Lee	Rader, Frances Marie
Eksir, Carolyn Gale	Kunnuk, Catherine	Reimer, Augusta Margaret
Esenituk, Herbert Norman	Kunnuk, Peter Thomas	Reimer, John Albert
Evan, Clara Rose	Kunnuk, William John	Rich, Toni S.
Ferguson, Debra Ann	Kunuluk, Mabel Ann	Riley, Anna Agnes
Ferguson, Kay Virginia	Kunuluk, Philip N.	Roberts, Alden
Fierro, Robert R.	Lagstrom, Laura Jane	Rogers, Gladys K.
Figurski, Margaret M.	Lant, Harold S.	Ross, Sherilyn Elaine
Franzen, Alvin L.	Lee, Carolyn M.	Rukovishnikoff, Florence
Gonangnan, Collins Aldred	Lee, John R.	Sambo, Esther
Greene, Deborah Marie	Lee, Thomas Franklin	Sampson, Emma Rhoda
Grochoski, Lillian M.	Leeson, Jeanie	Savetilik, Luther M.
Gustafson, Emma Daphne Chris	Lupson, Lorraine	Savok, Rhoda Jeanne

to the city or state lands which will be used for airports, public building sites and streets. This third person will work to ensure that we do not give away anything that we do not have to.

We are also putting together opportunities for each village to become involved in and take advantage of construction in their respective areas. There are several public works developments such as roads, housing and airports that will be awarded in our region. We are working to put together joint ventures for the villages that want to bid on these jobs. We are keeping these joint ventures as low risk as possible knowing, also, that the lower the risk the lower the profits in the end. The primary benefits if we get these bids will be the jobs we will generate and keeping the money in the villages.

Much of our current effort has been involved in working out a 7(i) agreement with the other regions. Section 7(i) of ANCSA says that each region will share 70% of the revenues that it receives as it develops its subsurface (minerals, oil, coal, etc.) timber resources. The problem was it did not exactly define what was shareable and what was deductible and it has resulted in massive lawsuits between regions. The meetings to

settle these problems are lengthy and difficult but it is very much in our long term benefit to come up with a way to keep all the regions out of the courts. We expect that by the end of the summer we will have these problems worked out.

We have just handed out the BSNC board committee assignments with the following line ups:

Personnel

Lonnie O'Connor - Chairman
Paul Johnson
Suzanne Wassmann
Blanche Walters - Alternate

By-Laws

Frances Degnan - Chairman
George Walters
Vernon Kugzruk
Charles Johnson - Alternate

Land

George Walters - Chairman
Bill Barr
Chuck Degnan
Charles Johnson
Vern Olson
Richard Atuk - Staff

Village

Henry Ivanoff - Chairman
John Pullock
Cornelius Dan
Lonnie O'Connor
Richard Atuk - Staff
Charles Johnson

Audit

Blanche Walters - Chairman
Suzanne Wassmann
Frances Degnan

Our next board meeting is scheduled for Unalakleet during the 1st week of August. Of primary importance at that meeting will be the development of policies governing further land selections by the corporation.

During the last week in July our planning committee will be meeting to up-date and work on the 5 year plan which you saw in your Annual Report.

As I said, a busy summer for your Corporation as we work on these vital issues as well as keeping up with our normal administrative duties.

SECTION 7(i):

Help or Hinderance?

By Roy M. Huhndorf

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Well-intentioned Congressional efforts occasionally end in hopeless, desperate snarls. Federal legislation that has a specific aim sometimes yields a completely different and unintended result.

Unfortunately, this may prove to be the case regarding Section 7(i) of the Alaska Native Claims Settlement Act. That section is a provision of the 1971 law requiring the 12 Alaska Native regional corporations, based in Alaska, to share with each other revenues derived from the development of certain resources on their lands - primarily timber, oil and gas, and minerals.

Over the past six years, the 12 regional corporations have been locked in a bitter legal struggle over how this section should be implemented.

Litigation has spawned additional litigation in an attempt to interpret this one paragraph, two-sentence provision of the settlement act. A small industry has virtually been created, employing dozens of attorneys, accountants and other consultants, all engaged in trying to clarify this tiny clause. Most observers believe this court

**CATHY TOBUK
EMPLOYEE OF THE 70's**

Cathy Tobuk, receptionist for the BSNC Nome office, has been named Employee of the 70's. She was nominated for the title at the Annual Shareholders meeting on May 9th. Cathy has been an employee of BSNC for 9 years and her dedication and kind attitude are noticed by all who come in contact with her.

Cathy, who enjoys crocheting, decorating and art work, was born and raised in Nome. She and her husband, Roy Tobuk Sr., have 3 children ...Roy Tobuk Jr., Esther Yvonne Craft and Wayne Tobuk. They also have 8 grandchildren.

CONGRATULATIONS CATHY AND THANK YOU!

action will continue for many more years.

The Congressional intent of providing a measure of fairness and equity has, more and more, taken on the appearance of becoming an obstacle to economic growth - a bitter and divisive impediment to the proper development of important corporate entities in Alaska.

It all began 10 years ago when Congress, in a laudable effort to make sure the Alaska Native Claims Settlement Act was fair to all, required that 70 percent of the revenue from subsurface and timber resources received by any native regional corporation through the settlement act be divided among all 12 native regional corporations. As a result, there would not be enormous disparity between "haves" and "have-nots", but a more equitable participation in the product of the settlement.

Unfortunately, what might have seemed to be a simple approach to assuring fairness then, has proven to be a source of tremendous headaches and friction among the corporations.

But there is more at stake in this dispute than the technical definition of imprecise terminology. How and when this issue is resolved will have much to do with the future productivity in the state.

Interpretations handed down by a court or definitions resulting from an out-of-court settlement agreement will have a profound economic impact on the native community and the state in general.

Whether, in the future, native corporations will seek to maximize economic and other benefits from development of their resources will depend on answers to several key questions such as: What expenses can be charged against revenue in the course of developing a resource? How are shareable revenues measured when a corporation invests its capital or other resources in a project?

At first glance, resolution of these issues seems relatively simple, but some approaches that have been advanced to date would so reduce the development incentive for a native corporation owning

natural resources that the corporation is likely to invest its management expertise and risk-related funds elsewhere.

Although some corporations have initiated resource development in the absence of definite rules, it is not clear that this development and other value-enhancement efforts will continue in the face of this uncertainty.

For the state generally, this would be troublesome. If lands and resources are rendered less productive because of economically faulty legal overlay, then the entire economy suffers. Less development means fewer jobs, smaller revenues for government, and ironically, a smaller revenue pool for division among the native corporations (which have some obligation to pass on these funds to shareholders).

A long, lingering dispute over the division of subsurface revenues is also a tragic mar to the orderly implementation of the settlement act. Twenty years were afforded the regions to establish their internal strength before there would be property taxation and stock alienability in 1991. Doubt and litigation about resource revenue sharing will seriously affect the ability of the native corporations to concentrate on the many important tasks that must be accomplished between now and that future date.

Recently, however, there has been cause for optimism. The courts in which this litigation is pending have encouraged settlement, and many of the native corporate spokesmen have recognized the need for certainty. Sealaska Corporation, the regional corporation for Southeastern Alaska, has spearheaded efforts in organizing a settlement conference to be held later this month.

Some native leaders have their doubts as to whether a settlement can actually be achieved. Given the number of corporations and the complexity of the issues, the likelihood of resolution appears small indeed. However, because of the importance, both to the

Native corporations and the state in general, every effort to succeed must be made.

Any resolution must be true to the intent of the settlement act.

The settlement conferees must be careful not to disturb the delicate sharing and balancing mechanisms found elsewhere in the settlement act. The point they must focus on is how to balance the need to maximize benefits to their shareholders, village corporations with the need to encourage a high level of production by the resource-owning regions. Any resolution must recognize that for a settlement to bear fruit, a region that has the opportunity to develop its resources must have an adequate incentive to do so.

The requirement that a regional corporation must share 70 percent of its revenue is like imposing a 70 percent tax on profits, and it is therefore important that all appropriate expenses can be deducted before computation of the tax.

It is quite likely that the intervention of Congress will be needed after an approximate resolution by the parties, to further clarify the meaning of the 1971 statute and, perhaps, to establish a clear and less expensive process to deal with any future disputes.

The native corporations have solved enormous problems in the past. This remarkable record should not be marred by a failure to do so here.

I am hopeful the statesmanship necessary to avert the long-term effects of this counter-productive dispute will rise as the circumstances require.

Significant economic improvement in the lives of thousands will depend on the willingness of the native corporations' leadership to deal quickly with this debilitating deadlock.

Roy M. Huhndorf is president of Cook Inlet Region, Inc., one of 13 regional corporations established under the Alaska Native Claims Settlement Act of 1971.

THE ALASKA NATIVE CLAIMS SETTLEMENT ACT

Background

On December 18, 1971, the Alaska Native Claims Settlement Act (ANCSA) was signed into law by President Nixon. Under terms of ANCSA, Congress provided that 962.5 million dollars and fee simple title to 40,000,000 acres of land be given to Alaska Natives as "a fair and just settlement of all claims by Native and Native groups of Alaska, based on Aboriginal Land Claims." ANCSA divided the state into 12 regions, based on geographical proximity and cultural similarities.

All U.S. citizens with one-fourth or more Alaska Indian, Eskimo or Aleut blood who were living when ANCSA was enacted, qualified to participate unless they were members of the Annette Island Reserve community of Metlakatla. Benefits to Natives were to accrue not through clans, families or other traditional

groupings, but instead through the modern form of business organization called a corporation. All eligible Natives were to become shareholders -- part owners -- of the corporations.

The first step toward becoming a shareholder was to enroll -- to register by name, community and region of permanent residence and to prove at least the minimum percentages of Eskimo, Indian or Aleut ancestry. Once enrolled, the person became entitled to 100 shares of stock in the regional corporation representing the place he considered his permanent home.

With the exception of members of certain revoked reserves, all enrolled Natives were to become shareholders in business corporations formed along the boundaries of 12 regions or a special 13th corporation.

The 12 regional corporations have important roles in implementing the settlement within their geographic boundaries. Among their

most important functions are the following.

- Receive payments made by the federal and state governments as compensation, disburse about half to village corporations and individuals, and retain the remainder.
- Become owners of the subsurface estate (the mineral resources) of all 40 million acres selected under the act.
- Supervise the incorporation of villages, assist them in their land selection programs, and review their spending plans.

Natives residing outside of Alaska could and did establish a thirteenth corporation. Benefits for its members are limited to sharing only in the authorized money settlement. Some Natives eligible to become members of the thirteenth corporation alternatively chose the corporation of their region of origin.

All eligible Native villages were required to form corporations. A village was eligible if

THE ALASKA NATIVE CLAIMS SETTLEMENT ACT

Land Selections

The land settlement was complex and consisted of four major categories named for their respective ANCSA sections.

Section 12(a): Twenty-five townships were withdrawn adjacent to each village. From these lands the village corporation selected the surface estate and their entitlement based on the following:

If the village had on the 1970 census enumeration date a Native population of:

25 - 99.....	69,120 acres
100 - 199.....	92,160 acres
200 - 399.....	115,200 acres
400 - 599.....	138,240 acres
600 or more.....	161,280 acres

It was entitled to receive patent to an area of public lands equal to:

will receive patent to the surface estate of the following acreages,

Native Corporations	Acres
Brevig Mission.....	92,160 acres
Council.....	69,120 acres
Golovin.....	92,160 acres
Inalik (Diomede).....	92,160 acres
King Island.....	115,200 acres
Koyuk.....	92,160 acres
Mary's Igloo.....	92,160 acres
Shaktoolik.....	115,200 acres
Shishmaref.....	115,200 acres
Sitnasuak (Nome).....	161,280 acres
Solomon.....	69,120 acres
St. Michael.....	115,200 acres
Stebbins.....	115,200 acres
Teller.....	115,200 acres
Unalakleet.....	161,280 acres
Wales.....	92,160 acres
White Mountain.....	92,160 acres
Total.....	1,797,120 acres

excludes the regional corporation for southeastern Alaska) on the basis of the number of Natives enrolled. Each regional corporation is then to reallocate this acreage among the Native villages within the region on an equitable basis after considering historic use, subsistence needs and population. The Bering Straits Native Corporation received an allocation of 293,420 acres, which has not yet been reallocated to the 17 villages in the region.

ANCSA provides that patent to the surface estate will be issued to the village corporation, as provided above, and that patent to the subsurface estate of such lands will be issued to the regional corporations. Thus, the Bering Straits Native Corporation will receive patent to the subsurface estate of 1,797,000 acres of 12(a) lands and 293,420 acres of 12(b) lands.

Section 12(c): Sixteen million acres were divided among the regional corporations. Because of the complicated "land lost" formula on which this section is

The 17 village corporations in the Bering Straits Region have or

half or more of its population were Native, it had at least 25 Native residents and it were not deemed modern or urban in character. Two hundred and six village corporations were formed pursuant to the act. Some eligible Natives became shareholders in the regional corporations only because their permanent home was not in a certified village. They became "at-large" shareholders or may have qualified to become members of other regional and village corporations.

Unlike typical business corporations formed by the voluntary purchase of stock by individuals, these Native corporations obtained initial capital and operating monies from Congressional appropriations and mineral revenues, and they also have or will obtain land as well. They then issued stock to eligible Natives who, unlike shareholders in typical corporations, cannot sell their stock or transfer any rights in it for 20 years. With the occasional excep-

tion of a non-Native custodian of a minor shareholder, only Natives have voting rights.

The Bering Straits Native Corporation (BSNC) was incorporated on June 23, 1972 as the regional corporation for the Bering Straits Region. This region covers an area of 26,000 square miles in Northwestern Alaska, consisting of the southwestern three-fourths of the Seward Peninsula and the coastal drainages as far south as Stebbins. Of the 20 villages in the region, Elim, Gambell and Savoonga chose to retain their reservation status and not become part of the regional corporation. The remaining 17 villages formed village corporations under the act, and their shareholders own stock in Bering Straits Native Corporation.

based, neither the Bering Straits Native Corporation nor any village in the region will receive any acreage under this section; however, they will share in the revenues from these lands according to subsection 7(i).

Section 14(h): Two million acres were reserved for miscellaneous purposes for groups, historical sites, allotments and four named cities. The Bering Straits Native Corporation will receive fee title to both the surface and subsurface estates of existing cemetery sites and historical places 14(h) (1) total acreage 42,967 acres. This land will be held in trust because of its historical value and will not be open to any resource development. The coverage under this subsection was redivided by population among the 12 regions 14(h) (8). Bering Straits Native Corporation will eventually receive surface and subsurface title to 108,968 acres of land under this section.

Thus, the Bering Straits Native Corporation will own the subsur-

face rights to 1,797,120 acres of 12(a) and 293,420 acres of 12(b) lands for a total of 2,090,540 acres and both the surface and subsurface estates of 42,967 acres of 14(h) (1) lands and 108,967 acres of 14(h) (8) lands for a total of 151,934 acres giving Bering Straits Native Corporation jurisdiction over and subsurface patent to 2.24 million acres located in an area considered to be among the world's highest in mineral potential. Revenues derived from the subsurface estate are subject to sharing under 7(i) of the act which states:

Seventy per centum of all revenues received by each Regional Corporation from the timber resources and subsurface estate patented to it pursuant to this chapter shall be divided annually by the Regional Corporation among all twelve Regional Corporations organized pursuant to this section according to the number of Natives enrolled in each region pursuant to section 1604 of this title. The provi-

POTLATCH DINNER

The Potlatch dinner held the evening before the Annual Meeting was, once again, a huge success. Nearly 250 persons were in attendance to enjoy a selection of food which included muktuk, reindeer stew and roast, black meat and fish dried, baked and boiled. There was also a grand selection of salads.

The St. Lawrence Island Dancers provided entertainment during and after dinner. Good food and good entertainment provided for a good time to be had by all who attended.

A sincere "thank-you" goes out to the following ladies for their much appreciated efforts in making this year's Potlatch a success:

Helen Bell
Brenda Johnson
Angela Miller
Josie Reader
Suzanne Wassmann
and
Blanche Walters

sions of this subsection shall not apply to the thirteenth regional corporation if organized pursuant to subsection (c) hereof.

Thus, the corporation obtaining cash from such resources keeps 30 percent of it and divides the remainder among the 12 including itself. This division is made on the basis of the proportionate number enrolled to each; e.g., if Bering Straits Native Corporation accrued \$100,000 from mineral development, it would retain \$30,000 (30 percent) divide the remaining 70 percent among all 12 regions, including itself for another \$5,600 because it has about 8 percent of the total enrollment.

LAND & RESOURCE GOALS

The land objectives in the Five Year Plan were restated and clarified as goals and objectives during the Annual Meeting on May 9, 1981. Four land and resource goals were presented by category:

PATENT	To acquire those lands which will provide the greatest benefit to our shareholders.
LAND MANAGEMENT	To utilize and protect our land for the greatest economic and cultural benefit to our shareholders.
RESOURCE DEVELOPMENT	To maximize resource revenues without damaging our cultural values.
REGIONAL DEVELOPMENT	To insure that land and resource development in our region is in our shareholder's best interest.

Objectives under the patent goal are to receive 100% of land conveyances by 1985 and to obtain a favorable decision on Haycock Group by 1982.

Under Land Management we plan to establish a Land Records system by 1982 and a Land Use Plan by 1985 with a Policy and Permit system by 1982. We also aim to complete all village Corporation plans or surveys by 1985.

Under Subsurface Resources we plan to:

1. Execute a comprehensive mining agreement with a major mining company by January 1982.
2. Prepare a summary report on BSNC lands and minerals by July 1981.
3. Prepare a mineral potential and deposits report by July 1982.
4. Develop a policy for mineral materials by December 1981.
5. Inventory sand, gravel and rock resources by December 1982.
6. Establish programs for oil, gas, geothermal, placers, coal, leasable minerals, water, artifacts and other subsurface resources when the opportunity arises.

To accomplish these goals and objectives the Land and Resource Department has established the following Five Year Objectives for administration:

Land & Resource Goals (5 Year)

1. Computerized storage and retrieval system for land title, status and use of all land in the region.
2. Computerized storage and retrieval system for all published resource data concerning the region.
3. Accomplish first wave of reconnaissance exploration on all land and identify prospects.
4. Establish a professional resources division which includes consulting and planning capability.
5. The land resource department will pay its own way through the sale of services.

1991 Stock Ownership Milestone by Roy M. Hohndorf

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Dec. 18, 1991 ushers in a period of crucial decision making for Alaska natives who own stock in the native corporations. On that date, the 20 year period during which sales of native corporation stock is prohibited by the 1971 Alaska Native Claims Settlement Act comes to an end.

On the surface, the sale of stock by a shareholder in a native corporation would appear to be little different than any other sale of corporation stock - a transaction that happens tens of thousands of times each day in this nation. In reality, however, there are extraordinary aspects to ownership of

native corporation stock that make its sale worthy of considerably more forethought than might ordinarily be the case.

For many Alaska natives it will be difficult to measure the value of continued stock ownership vs. the sale of that stock. The task of computing the value of ordinary stock, particularly for a corporation that has been in existence for some time, is a relatively easy task involving the measurement of monetary elements such as dividend streams, capital gains and asset values. These values besides other non-monetary considerations that are more difficult to measure must be considered when an individual is contemplating the sale of the native corporation stock.

How does one measure the value of a sense of cultural belonging - an identity that will be diminished to some degree with the sale of one's stock? How does an individual shareholder assign a value to the political power the native corporations have used successfully in the recent past to advocate for the collective economic and social well-being of Alaskan natives? What values can be assigned to training and employment opportunities, scholarships and other educational programs that many of the corporations offer to their shareholders as part of their resource development activities?

Besides the difficulty in placing a value on intangible benefits, there will be problems in determining the value of the corporations' real assets. Millions of acres will be owned by these corporations, giving them a potential that probably will not be evaluated fully by 1991. Income streams that could be substantial may some day flow from yet undiscovered energy and mineral resources on those lands.

Obviously, we do not know what will happen when native shares go on the market. We do not know how the individual

shareholders will react to the freedom of being able to sell their stock. But the history of similar events in the rest of the United States suggests that there be careful thought given to the consequences.

To a large extent, making the decisions will be an individual shareholder's responsibility. When a shareholder decides to sell his stock, he will be forced to sort out his values and to make a choice which, for better or worse, will be final. Because of this, the corporations have an obligation to assure that, before 1991, the information flow to the shareholders be kept at the highest possible level.

It would be a tragedy if all the efforts of the last decade went for naught as many individual natives, unknowing, susceptible and needy, traded a valuable piece of their heritage in grossly unfair bargains.

But it also would be tragedy if, for Alaska natives, the potential economic benefits of the settlement act were kept beyond their grasp by maintaining, forever, total restrictions on the sale of stock. Recently, as a provision in the Alaska National Interest Lands Conservation Act (the "D-2") a partial restriction to the sale of native-owned stock was authorized by Congress.

This provision requires that a first right of refusal to buy its stock be afforded to a native corporation, provided that its shareholders had voted to authorize such a provision in the corporation's by laws.

This tension - between permitting the ready sale of assignment of stock and keeping the lid on through law or corporate policy - is likely to face, and even haunt, all the native corporations over the next 10 years.

The issue of native stock sales will present difficult questions not only for the shareholders and the corporations but for the state.

Predictions in this area are hazardous, but I think that Alaska in the 1990's will have the most in-

tricate and novel corporate law issues in the United States. There almost certainly will be battles for control of what will be the most substantial land-holding and resources management corporations in the state. There will be extraordinary requirements for a carefully developed enforcement policy to ensure that shareholders are not adversely served by false and misleading information in the statements of new management or new groups seeking to gain control of a corporation.

Now is not too soon to begin thinking systematically about how to cope with the challenges of 1991.

It is fairly clear that the decision to retain or to sell native stock will be a personal decision, and this is as it should be. But to a large degree, this decision will be influenced by the successes or failures of the corporation.

When the settlement act was being considered before its passage, many of the Alaska native leaders recognized the potential dangers that lay ahead with respect to the 1991 stock alienability clause.

Because of the close relationship of native stock ownership to native land ownership, the possibility of severe damage to Alaska native culture brought on by massive sales of native stock in 1991 was discussed often.

Now, for better or worse, whether native stock will be "special" enough for the native shareholders to keep will depend upon how well the corporations have demonstrated their ability to do a proper and consistent job for their constituencies and to foster an identity with their shareholders.

If they fail in this task, they, like other institutions that have failed, will be absorbed by other entities or will simply wither away into the past.

Roy M. Huhndorf is president of Cook Inlet Region, Inc., one of 13 regional corporations established under the Alaska Native Claims Settlement Act of 1971.

MISSING SHAREHOLDERS

(Continued from page 3)

Scott, Sarah
Seetat, Justine Joy
Semaken, Margaret Rose
Shoogukuwrk, Myrtis Frances
Silook, Rosalie
Simon, Michael Rodney
Singyke Sr., Peter
Snowball, Jacob Aranapanak
Sockpick, Davis Asegeak
Soxie, Janet Adeline
Steckdaub, Cynthia Marie
Steckdaub, Donny N.
Steckdaub, Michael Ernest
Strohmeyer, Leona Mary
Takak Jr., Peter Carl
Thomas, Robert Joseph
Tigmeac, Charles John
Tocktoo, Darlene
Tocktoo, Frederick
Tocktoo, Russell Roddy
Tootkaylok, Katheryn Irene
Totkaylok, Robert Allen
Topkok, Andrew A.
Topkok, Helen E.
Towarak, Leigh Emmory
Traeger, Clarence A.
Trigg, Jacquelyn Lorraine
Trigg, Raymond Henry
Walker Jr., Edward Henry
Walker, Melinda May
Walunga, Kenneth Imiyuh
Ward, Elizabeth V.
White, Meta Movae
Williams, Lorraine R. A.
Williams, Walter Dean
Willoya, Burnice Augustine
Young, Rose Arlene
Zimmerman, Debra Jeanette
Zimmerman, Margo Ann

The following is a list of the Village Corporations their Presidents and their addresses as of June 30, 1981.

**VILLAGE CORPORATIONS
BERING STRAITS REGION**

June 1981

BREVIG MISSION NATIVE CORPORATION

Brevig Mission, Alaska 99785

Elmer Olanna, President

COUNCIL NATIVE CORPORATION

3106 Cottonwood

Anchorage, Alaska 99504

Carolyn Schubert, President

GOLOVIN NATIVE CORPORATION

Golovin, Alaska 99762

Phone: 775-8001

Sigfried Aukongak, Jr., President

INALIK NATIVE CORPORATION

Diomede, Alaska 99762

Phone: 686-8001

Andrew Kunayak, Sr., President

KING ISLAND NATIVE CORPORATION

P.O. Box 992

Nome, Alaska 99762

Phone: 443-5494

John I. Pullock, President/Mgr.

KOYUK NATIVE CORPORATION

Koyuk, Alaska 99753

Phone: 965-8001

Dennis Adams, President

MARY'S IGLOO NATIVE CORPORATION

Teller, Alaska 99778

Phone: 642-3366

Albert Oquilluk, President

SHAKTOOLIK NATIVE CORPORATION

Shaktoolik, Alaska 99771

Phone: 975-8001

Alex Sookiayak, President

SHISHMAREF NATIVE CORPORATION

Shishmaref, Alaska 99772

Phone: 649-3751

John Sinnok

SITNASUAK NATIVE CORPORATION

P.O. Box 905

Nome, Alaska 99762

Phone: 443-5296

Robbie Fagerstrom, President

SOLOMON NATIVE CORPORATION

P.O. Box 243

Nome, Alaska 99762

Rose Ann Timbers, President

ST. MICHAEL NATIVE CORPORATION

St. Michael, Alaska 99659

Phone: 996-8001

John Cheemuk, President

STEBBINS NATIVE CORPORATION

Stebbins, Alaska 99671

Phone: 997-8001

Ted Katcheak, Acting President

TELLER NATIVE CORPORATION

P.O. Box 509

Teller, Alaska 99778

Norman Menadelook, President

UNALAKLEET NATIVE CORPORATION

P.O. Box 100

Unalakleet, Alaska 99684

Phone: 624-3411

Peter R. Nanouk, President

WALES NATIVE CORPORATION

Wales, Alaska 99783

Phone: 664-3151

Ernest Oxereok, President

WHITE MOUNTAIN NATIVE CORPORATION

White Mountain, Alaska 99784

Phone: 625-8001

George Ashenfelter, President

1981 VILLAGE

BOARD OF DIRECTORS AND OFFICERS

The following lists are the 1981 members of the Board of Directors and Officers of the below listed village corporations.

INALIK NATIVE CORPORATION

Andrew Kunayak, Sr. - President

Phillip Ahkinga - Vice President

Davis Menadelook - Secretary

Michael Soolook - Treasurer

Orville Ahkinga

John Iyapana

Arthur Ahkinga

MARY'S IGLOO NATIVE CORPORATION

Albert Oquilluk - President

Edward Kakaruk - Vice President

Caroline Tingook - Secretary/Treasurer

John Killarzoac

Johanna Ablowaluk

Donald Lee

Paul Topkok

SITNASUAK NATIVE CORPORATION

Robert Fagerstrom - President

Perry Mendenhall - 1st Vice President

Caleb Dotomain - 2nd Vice President

Lorena Engstrom - Secretary

Blanche Walters - Treasurer

Daniel Katmun

Karen Sherman

Clara Langton

Richard Foster

Robert Bajnke

Mary Miller

ST. MICHAEL NATIVE CORPORATION

John Cheemuk - President

Clifford Tom - Vice President

Damien Tom - Secretary/Treasurer

Albert Washington

Ambrose Otton

Leo Kobuk

TRANSFER UPON DEATH

TESTAMENTARY DISPOSITION

Upon my death, I give, devise, and bequeath the shares of stock in BSNC to the following person(s) in the amount(s) set forth.

NAME AND CURRENT ADDRESS

NO. OF SHARES
TO BE RECEIVED

This Testamentary Disposition is made under the provisions of Alaska Statues 13.16.705 and section 7 (h) (2) of the Alaska Native Claims Settlement Act of 1971, 85 Stat. 688.

DATED: _____

SIGNATURE OF SHAREHOLDER

Subscribed and sworn to me this _____ day of _____ 19____.

NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA

See other side for cutting and folding instructions.

CHANGE OF ADDRESS FORM

NAME _____

DATE _____

OLD ADDRESS _____

NEW ADDRESS _____

I.D. #. _____

SOCIAL SECURITY #

USE THIS BLANK AREA FOR ANY OTHER MESSAGE YOU
MAY WANT TO SEND IN.

WILL FORM

BSNC is requesting that all stockholders fill out the will form found on the back of the Stock Certificate or the one above and send it in to the Nome office. A new copy of your Stock Certificate will be returned to you after your will form has been recorded. None of us know or like to think of when death will strike... but it is so much easier on our dependents if we have left a plan for redistribution of our stocks. Please, take the time now and fill out your will form. Do it for your loved ones.

Be sure to have your will form Notarized. If no notary is available have the Postmaster stamp it or have two witnesses sign it for you.

CHANGE OF ADDRESS

It is very important that you always contact Bering Straits Native Corporation when you have a change in your mailing address. Over 300 annual reports and proxy statements were returned to BSNC last spring as undeliverable. This means that over 300 Natives enrolled in the BSNC Region did not have a chance to voice their opinions through balloting at the yearly meeting because they had not informed BSNC of their new address or location. **REMEMBER**, always contact BSNC Region headquarters when you move and file a change of address!

Cut here



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Here

BERING STRAITS NATIVE CORPORATION
P.O. Box 1008
Nome, Alaska 99762

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BERING STRAITS NATIVE CORPORATION
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