

# Stock sale, 'new' Natives sticking points to 1991 passage

by **Jim Benedetto**

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Two key issues remain to be resolved in the Alaska Federation of Natives' negotiations with the U.S. Department of Interior over proposed 1991 legislation — whether Native regional corporation stock could be sold to non-Natives after 1991 and the issuance of stock to Natives born after 1971, according to AFN officials.

Interior has proposed that a section dealing with continued alienability of stock be deleted in favor of a new concept — not currently recognized under state law — that of voluntary stock trusts.

The concept itself is not a new one according to John Shively, who has been piloting the legislation through the nation's capital for AFN.

"AFN looked at the idea of a trust years ago, when they first started the 1991 process," said Shively, who adds that AFN "believed then, and still believes that there are a lot of technical problems with mak-

ing it work."

According to recent testimony of Assistant Secretary of the Interior William Horn before the Senate Committee on Energy and Natural Resources, which is currently considering the bill, a stock trust would protect Native regional corporations while still preserving individual rights.

Horn testified that under such a mechanism, stock would be held in trust for a period of years, during which it could not be sold without a majority vote of the shares in trust.

Horn said participation in the trust would allow shareholders to decide what rights accompanying the stock go into the trust. Rights such as the ability to bring derivative suits and the right to inspection of corporate records could also be preserved.

According to Horn, Interior does not oppose the extension of alienability as it would apply to village corporations.

Shively points out that proposals such as the one

offered by Interior do not take into account the emphasis on communal rights within Native cultures.

"It (the Interior proposal) is totally different from the AFN philosophy, which has been that the majority of the group should decide when the restrictions go off. This lets the individual decide," said Shively.

Regional corporations with low cash reserves would be particularly vulnerable under any plan forcing them to provide a full measure of dissenter's rights.

Assuming that Interior and AFN are able to reach a compromise on the legislation, Shively is optimistic about the bill's chances for passage this year.

"If we can get some agreement on all this stuff by the end of the first week in September, I would guess that the official mark-up would take place around the 10th of September."

After that, says Shively, the bill will go to the floor of the Senate, and then to the House for concurrence