

# Looking ahead to 1987

by Wilson Justin Operations Manager

Nothing crosses the mind quicker or hits home harder than not having any more money coming in. As 1987 rapidly approaches, it's time to look ahead to see what is developing.

In 1987, Ahtna's Number One priority will be to do more with less. We've had the good fortune of unexpected high returns from our portfolio for several years now and this, in turn, translated into annual dividends for you, an expanded and much improved land department, subsidiaries that have retained good standing and which provide opportunities for shareholder employment, plus operational funds for a myriad of activities that involve Ahtna, Inc., in one way or another.

With four active, high volume subsidiaries to oversee, about 1.6 million acres of land to manage, seven villages to interact with, seven committees, and four departments to coordinate, Ahtna manages to stay extremely busy.

As always, our "people" costs are the highest, consuming almost 60% of our million dollar yearly budget. However, it is Ahtna's point of view that those "costs" are, in reality, an investment in the future of Ahtna.

As we all know, the real battle for control of our lands and our shares in the ANCSA dream are yet to come. The payback for the time and monies we put into our employees today will serve us well tomorrow, when we need them the most.

With all of this in mind, how is that we can still talk about doing more with less? How can we continue to "cut costs" even as the demand for Ahtna's resources continue to double every year?

Well, it's not easy and it never ends. Cost effectiveness and productivity quotients are an inherent factor in every corporation. A certain percentage of my time is spent making decisions as to when it's most appropriate to initiate activities, actions.

In every one of our Ahtna households there's these kinds of expenditures. First there are immediate, or daily expenses. These include food, clothing, and cash for the car and other expenses. Then there are the bills coming due, such as telephone, electricity, fuel and taxes. Then, there are the totally unanticipated costs, such as mechanical breakdowns, accidents and damages to your home or equipment. Those costs are ongoing and we can never guess when they'll occur or how much they'll cost.

The key, then, is planning and organizing. Obviously, the more you know about where your monies are going, the easier it is to find ways to cut costs. Conversely, the more organized your household is, the easier it is to get things done.

In brief, organization saves you time. Time is money.

Let's use one example to show how this is done. Ahtna recently contracted out the janitorial work in the CRNA offices. A simple act on the face of it, but, upon analysis, the following considerations appear:

— not knowing what the future of CRNA is, it's more sensible to forego another permanent position until such time as the uncertainties that CRNA faces are disposed of. At some point in time, Ahtna could be left with an additional full-time janitorial employee with no place for them to work.

— Ahtna realizes immediate benefits, in savings of time (no more accounting for Rene, our Assistant Controller; no more time sheets for the supervisor, Lily Gallatin; no more work insurance and worker's compensation, increased Internal Revenue Service costs for Ahtna; and no more incidental janitorial supplies to maintain or keep track of for Ahtna. All of these things put together add up to a substantial savings in cost for Ahtna. This is what I refer to when I talk about cost-saving measures.

One last word on the janitorial contract for CRNA: it's a temporary measure — we may go back to a full-time employee in 1988. If Ahtna had not received a bid less than what we were paying an employee, we would not have executed a contract for those services.

As we start with 1987, it's very important for our shareholders to realize that Ahtna has to do more, but we also have to do what we're planning to do with much less.

The above discussions outlined, in brief, the savings in dealing with one position. Let's look at another, which is much larger and much more long-term in effects, costs and liabilities. It's important to realize, now, that we're talking about a process and procedures, unlike the above, which was a decision.

What I'm referring to are the interim land policies that Ahtna has put into effect. These land policies were designed to streamline the process and to eliminate, if possible, potential legal liabilities which may adversely impact the corporation in the future.

Many people were involved with shaping of these policies and many more will be involved. The central issue to the land policies is the saving in time and money that will develop as we incorporate the policies at the village level.

Ahtna very well understands that, initially, fear and confusion will surface, but we do expect these initial reactions to subside once the process is better understood, and more shareholders become familiar with their intent and purpose.

It's very important for you, our shareholders, to realize that Ahtna is applying the highest degree of professionalism, concern and legal expertise to the transfer of corporation lands to eligible shareholders. Nowhere is our concern better reflected than in our 14

(c)1 and 14 (c)2 policies, which essentially establish 12 steps to completion of the process.

Where Ahtna will come under the heaviest criticism is in Step 4 — rejected applicants. Most applicants will simply assume that this is the beginning and the end of the 14 (c) process. Step 4 is only a part of the process. Eight more steps have yet to be included.

In reality, nothing has occurred, other than the process being put into effect. With our new policies, if a shareholder is a valid 14 (c) recipient, rest assured the process will work to your benefit.

Another high profile, and very much misunderstood program is the 1.5 acre disposal. The 1.5 acre (or Section 1407 program, as it is sometimes referred to) is different in many ways from the 14 (c) process discussed above.

The 14 (c) policies initiated by Ahtna come as part of the obligations inherited by Ahtna from the Merger Agreement. Ahtna has a 14 (c) policy due to the Alaska Native Claims Settlement Act itself. We have no choice in the matter. It simply has to be done, whereas the 1.5 acre homesite program is a matter of choice, authorized by Section 1407 of the Alaska National Interest Lands Conservation Act passed by Congress in 1980 (otherwise known as ANILCA).

The difference between 14 (c) 1&2 of ANCSA and Section 1407 of ANILCA is like the difference between night and day, yet a great many of our shareholders do not differentiate between the two.

In summary I would very much like to impress upon our shareholders that Ahtna is not taking away anything from anybody when it comes to our land policies. When you build a house, you build it step by step, from the foundation up. And, as you well know, you build a house in accordance with how much money you have to spend on each step.

What the Ahtna Land Department is doing now is putting in the foundation for a "house". The foundation is not the house. Yet, at the same time, how long the house is going to last is entirely dependent on how well you've done the foundation work. Ahtna intends to build a foundation that will last a lifetime. After all, one of our biggest jobs is not only to think about you today, but about the generations of tomorrow, as well.

From our vantage point on the Ahtna mountain, we're fortunate enough to be able to see a little of tomorrow, and that is the reason why we do the things that we do in the way that we do them today.