

Ten year debate ends

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Ten years of debate on how to share 70 percent of the Alaska Native Regional Corporation wealth came to an end at 11 p.m. June 29 when representatives of the 12 Regional corporations signed their names to a document outlining the plan.

The mood in the Cook Inlet Region, Inc. board room in Anchorage was at once happy and somber, apprehensive yet relieved as the chairmen and directors of the 12 Regional Corporations created 10 and one-half years ago by the Alaska Native Claims Settlement Act approved a 115-page document spelling out how to share corporate wealth.

Their signatures put an end to one of the most complicated and expensive issues facing the regional corporations since the

passage of the Settlement Act itself.

Signing the 7i document were Sealaska's Byron Mallott, ASRC's Edward Hopson; Bristol Bay's Noble Dick; Koniag's Ron Denner; CIRI's Roy Huhndorf.; Chugach's Edgar Blatchford; Doyon's Sam Kito; Calista's Nelson Angapak; NANA's John Schaeffer; Bering Straits' Charlie Johnson; Aleut's Agafon Krukoff; and Ahtna's Herb Smeltzer.

ANSCA included a provision that the regional corporations must share with all other corporations 70 percent of their revenues. But, just how to share that revenue was not spelled out.

"Almost as soon as the claims act was signed the questions arose as to what that provision meant," said John Shiveley of the NANA Region.

The questions led to meetings and negotiations which led

to a "friendly" lawsuit being filed in U.S. District Court in Anchorage on April 4, 1975 by the Aleut, Sealaska, Koniag, Chugach and Ahtna regions against the Arctic Slope, Bering Straits, Bristol Bay, Calista, Cook Inlet, Doyon and NANA regions to clarify 7i.

According to Cook Inlet Region president Roy Huhndorf, the suit was focused on CIRI by the judge because CIRI was operating oil and gas development and had geared up with consultants and attorneys to study the matter.

In the next five years accountants and attorneys for the corporations met frequently, piled up millions of dollars in fees but got basically no further to a solution to the problem than they were when they started.

At the beginning of 1980, Sealaska Regional Corp. Chair-
(Continued on Page Four)

Despite bitter moments, "Kah-Nee-Ta" won out

(Continued from Page One)

man Byron Mallott was approached by members of Sealaska management who told him that the uncertainty of what 7i meant was starting to cause major problems in business-decision making, said Mallott.

The problems were starting to be felt by the other revenue-producing corporations such as NANA, CIRI, and Doyon and Arctic Slope Regional Corp., he said.

Early in 1981, Mallott started talking with other corporate leaders about removing the 7i talks from the consultants and attorneys and turning them over to the "policy makers,"

those men who for the most part knew each other well from their mutual fight to pass the Settlement Act.

Shivley says he and others told Mallott "hey, you aren't the first to try this... (meaning to get the policy-makers together.)"

But, the depth of commitment that Mallott felt to resolving the matter was demonstrated when Sealaska paid to have representatives of all the regions flown to the Kah-Nee-Ta Lodge on the Warm Springs Indian Reservation in Oregon and paid for their stay there.

Mallott says the retreat was planned so that the represen-

tatives, who are known in legal jargon as "principals," could talk without interruption on neutral ground.

That three-day retreat was key in the 14 months of negotiations that followed, said Mallott because the "principals" came to agree that "it was on us to develop an understanding that we were committed to resolving this and would continue to do that at the highest involvement of the corporations. And, we would continue to hold these talks within the spirit of the Claims Act," said Mallott.

The men agreed that the matter had to be settled in "a fair and equitable manner," according to Mallott. That agreement since came to be known to the 7i negotiators as the "Spirit of Kah-Nee-Ta," and was called upon frequently during the often stormy negotiations.

During the months that

followed Kah-Nee-Ta the principals met monthly in discussions that have turned into a "kaleidoscope," of concerns, says Mallott.

Discussions were stormy "sometimes bitter, sometimes angry," said Huhndorf, but when participants reached a block Mallott said he would steer them around it to another matter or the "special master," Ralph Wienshienk, a New York attorney, would solve them in a manner that earned him several nicknames including that of "marshmallow gorilla."

According to Shivley who became Wienshienk's main adversary, "at times we reached points where there was such disagreement between corporations that nobody could crush them. At these times Wienshienk said 'this is the way it's going to be,' and rammed them down our throats. He changed the settlement in a couple of major ways."

Stories of table-pounding and threatened walkouts abounded about the discussions which were held behind closed doors but no one corporation ever called it quits, according to Sam Kito who represented Doyon Limited.

"I think it's symbolic that perseverance won out because all parties stayed at the table."

"No one ever walked out even when there were times when the regions were pushed to the limit of their position when negotiating," said Kito.

According to Huhndorf the final document may be stronger because of the many compromises that were made.

Mallott says "no one left that board room totally happy. Everybody was relieved and happy that they have an agreement but each still has a concern for their own corporation."

At a signing ceremony Wienshienk said that he felt the document is strong because no one was happy. "If one corporation was totally happy there would be something

wrong with this."

Whether or not everyone is happy with the final document will be decided by the boards of directors of each of the corporations.

Those boards must vote on the 7i document by October, and while all agree that they might have liked to see a little more for each of their own corporations, all agree that the document is strong and they expect little trouble with board approval.

And the principals look at the entire process in another light. They all feel that they know each other better.

Through the long retreats the men who helped fight for the ANSCA spent time fighting each other but also learning about one another.

Huhndorf called the process an education process. In order for the talks to be well-informed, the corporations had to learn each other's business. Which meant that timber-rich Sealaska had to learn the oil business as it is on the North Slope. Others had to learn about mineral exploration.

"It was a heck of a learning process," said Huhndorf and was one aspect of the negotiations that kept them going on so long.

Kito from Doyon Limited said "Because of these negotiations the corporation leadership realized they need to communicate more and on a more continuous basis. These negotiations were in part getting to know each other again because we really hadn't done anything together in a long time."

"We'd done battle before (as in the fight for ANSCA) but we hadn't focused on an issue that had been in dispute," said Kito who said the strength gained from 7i might be put to a test in this summer and fall's battle on subsistence.

Nelson Angapak called the 7i agreement a "historical moment second only in importance to the signing of ANSCA."