

ASRC, UIC settle 7i, 7j suit

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Two major Arctic Slope corporations have settled a long-standing animosity over revenues and signed an agreement saying they will work together in the future to the benefit of both.

The Arctic Slope Regional Corp. and Ukpeagvik Inupiat Corp., the for-profit corporation of Barrow, signed the settlement agreement in Barrow Dec. 28, bringing to a close a three-year-old lawsuit filed by UIC against ASRC.

Under the settlement, ASRC agreed to pay UIC \$628,000 fee and will turn over revenues from sand and gravel development which is done within the boundaries of land covered by UIC.

Signing on behalf of ASRC, Chairman Edward E. Hopson, Sr. stated that the agreement is "the beginning of a new era of cooperation between the two corporations. It is an opportunity to work together as partners to build stronger and more profitable corporations."

UIC Vice-President Arnold Brower, Sr., signing for UIC, emphasized the importance of this accord to the Native shareholders of Barrow and the entire Arctic Slope.

"I view this as a commitment by UIC and ASRC to make the corporations successful, provide continued employment for shareholders, and overcome the

hurdles of the future, such as Section 1991 of ANCSA."

Among those present at the signing ceremonies was North Slope Borough Mayor Eugene Brower who underscored the significance of the two corporations reaching this accord. Others in attendance also expressed the feeling this would bring a brighter future for the two corporations and their shareholders.

The lawsuit grew out of a battle over those sand and gravel revenues and the interpretation of what was legally village corporation revenues and regional corporation revenues.

Under the ANCSA, regional corporations are entitled to revenues from sub-surface development, even under village corporation land. ANCSA allowed the village corporation domain of surface deposits.

However, a federal court ruled two years ago that sand and gravel was a sub-surface resource and regional corporations were entitled to the revenues from sand and gravel development.

A meeting of village corporation representatives from the North Slope and other scattered South Central and Southwest villages was held in Anchorage in 1982 to discuss the matter and many of the villages decided to intervene in an ongoing suit about ANCSA 7i revenue sharing, principally on the sand and

gravel matter.

The two North Slope corporations decided after two years of battle to settle their differences because "The parties believe that the continuation of litigation between them will severely hamper their ability to work together in a cooperative and constructive manner," according to the settlement document.

Under terms of the settlement, UIC agrees to drop its suit against ASRC and never file it again and in turn, ASRC agreed that even if the law changes any portion of ANCSA affecting the sand and gravel issue, it will abide by its settlement commitment.

The two corporations also agree that "it is in the best interest of both parties . . . to foster economic development at both the village and regional level and to encourage and promote Native-owned business capable of competing with non-Native businesses, employment of Natives and generally insuring a stable economy for future generations."

To that end, the two committed "whenever feasible and not inconsistent with any binding existing contractual commitments of ASRC or UIC to third parties, development projects within the Barrow area should be jointly pursued by ASRC and UIC."

The two also agreed that

whenever consistent with mutual corporate objectives they will try to create unified positions

on political issues of local importance and to help each other achieve common goals.