

7i sharing talks nearing final agreement

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Regional Corporation negotiators are "90 percent" of the way through talks on a document that would establish how the 12 Alaska Native Regional Corporations will share 70 percent of their money earned from development of natural resources.

If the document passes that

final 10 percent, it could mean that Arctic Slope Regional Corp. will have to pay out \$10 million to the other corporations, according to ASRC executive vice-president Larry Dinneen.

That \$10 million would be monies ASRC earned from rental of surface and subsurface mineral rights, said Dinneen. The question of sharing

resources earned from such leasing was one of the questions being discussed by the regional negotiators.

Representatives from the 12 regional corporations have been meeting for several years to work out an agreement to implement the "7i provision of the Alaska Native Claims Settlement Act (ANSCA). That provision stated simply that

the corporations will share 70 percent of all development of natural resource in their regions.

The provision never said how that 70 percent was to be calculated, whether it was to be 70 percent of the gross profits (before expense deductions) or net (after expenses were deducted).

For the past several years,

attorneys and accountants for the corporations spent numerous hours closeted in discussion that appeared to get nowhere. Almost one year ago, Byron Mallott, chairman of the Sealaska Regional Corp., contacted other Regional chairmen and they gathered for several days in Washington state to work out 7i details.

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7i roadblocks clear, only details remain

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themselves.

Since that time, the chairmen who had been accustomed to dealing with themselves have been able to come farther in months than their accountants have in years.

But the specifics of the plan are still under wraps for the most part, said Mallott, because the regions want to present a document that is

ready for review by their boards and shareholders and to avoid discussion on an incomplete document that may change.

Mallott said the process has taken so long because "we dealt with virtually every economic and financial issue affecting the regional corporations. We have dissected and put back together the financial operations of each corporation."

Mallott said that the entire

document has been reviewed but some portions have not been voted on by all the corporations. "A number of the corporations have not voted on certain provisions and some retained the right to withhold approval on special issues until they see the final wording," said Mallott.

"So, there will be no celebration until all the regions sign the document and their boards approve it."

Mallott said he "would not

be surprised at all if some issues will be brought back to the table for discussion. This is a very complex, very emotional matter.

"We tried to develop an agreement that meets the existing and future economic needs of the 12 regional corporations while keeping in mind at all times the purpose of 7i."

Dinneen said he believes that ASRC will sign the final document without problems.

ASRC is the only corporation which will be "writing checks" to the other corporations if and when the document is signed. Cook Inlet Region, Inc. (CIRI) has been making disbursements all along and the proposed final 7i formula wouldn't alter the CIRI distribution, he said.

ASRC has paid out \$10 million already but will have the other \$10 million to go,

he said.

Agafon Krukoff, president of the Aleut Corp. which first brought suit in court to force 7i to a conclusion, said he is uncertain of his feelings about the proposed final document. He will present the document to the Aleut Region Board of Directors when they meet in August but he said at least two meetings of the 7i negotiators will precede that meeting.

Krukoff said "I do think perhaps this is a good document. I would be happy to get a big load off our backs, particularly the attorneys and accountants fees."

Some of the corporations are estimating that individually they have spent more than \$1 million on fees for attorneys and accountants.

The next 7i meeting will be held June 29 in Anchorage.