

Regional leaders meet again on resource distribution

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Representatives from the 12 regional corporations involved in hammering out an agreement on distribution of resources among the regions were back at the conference table this week discussing timber, compliance with any agreements and revenue deductions.

The representatives, designated as principles of each region, met for two, nine-hour day sessions at the Anchorage Westward Hilton on Monday and Tuesday. The cadre of principles, attorneys and consultants was scheduled to return to the conference room Wednesday to continue discussions.

This week's meeting on the

issue known as "7-1" is not expected to yield any immediate agreement but the people who are laboring over a 60 page agreement predict that the six-year-battle may end by late summer or early fall.

Predictions for the conclusion to the discussions come from various principles such as Aleut Corp. President Agafon Krukof and Sealaska principle Roger Lang. Sealaska chairman of the board Byron Mallott who is acting as moderator for the discussions, is cautiously avoiding predictions.

All parties, however, are pleased with the progress that the talks have taken since being taken over from lawyers by the corporation leaders.

The lawyers were brought

into the matter in 1975 when the Aleut Corp. filed a "friendly" lawsuit asking judicial determination of the working of the brief one or two line 7-1 provision which states simply that all the regional corporations will share equally 70 percent of natural resource and timber development.

The resources coming under that classification include oil, gas, sub-surface mineral extraction and timber.

Discussions had been handled until March principally by attorneys, but were taken over then by the Native leadership and designated corporation representatives. At three meetings held since then, the leaders feel they have gotten much farther than they ever would have had the

attorneys and courts continued action, said Krukof.

The litigation is pending, however, and the regional leaders are working to avoid further litigation.

"We thought back then that we could have the court make a judicial and timely determination," said Mallott. "We found out that that wasn't possible."

One reason for the lengthy discussions is the complexity of the issues at hand.

Matters under discussion are as far ranging and as specific as definitions of revenues, consideration of revenues derived from production in the absence of investment, derived from active development, non-cash revenues, rights and benefits not subject to distribution such as preference

hiring, obligations, land selection, scholarships, etc.

The state of the resources - if they are actual resources like timber - or potential resources such as oil and gas, and mineral deposits, also weighs heavily.

In the discussions, the interests of several groups of peoples must be considered heavily the region in which the resource is located, the other regional corporations, village regions and the shareholders of all classifications of regions.

An example put forth by Mallott was the consideration of oil. The region which owns the land under which oil is found is the deal-making region and has interests and expenses. A non-deal-

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making, sharing region has differing interests and the interest of both must be considered and protected.

Much of Monday and Tuesday was spent simply learning about the different resources and their complex system of development, according to Krukof.

"We spent much time just learning about the resources and learning to appreciate the complexities of those resources," said Krukof. Similar discussions

have been held on the complexities of oil and gas and mineral development.

Sam Kito, a principle for the Doyon Limited Corp. said the group also discussed mechanics of compliance with any agreement that is worked out and how to solve any problems that arise.

At issue is an undetermined amount of resource money which could mount into the billions. Kito estimated that the amount at issue when discussing

timber resources in the southeast Alaska area alone is over a "one cut" life of timber land would be \$300 million. That figure doesn't include oil, gas or mineral reserves.

And the cost of the whole process also is enormous. Sealaska has probably spent more than \$1 million on costs related to the issue, according to Roger Lang, a member of the Sealaska Board of Directors and director of the Alaska Native Foundation.

Kito estimated the costs of Doyon and Aleut corporations at \$500,000.

One good thing that may have come from the intensive meetings, however, is a renewed understanding among the Native leadership of today, according to Krukof and Mallot.

Mallot said the Native leadership has not had a rallying point or an issue that has brought them together since the passage of the Native Claims Settlement Act.

This week's meeting and the two prior conferences have helped change that he said.

"You are dealing with one of the most complex and potentially divisive issues that the Native leadership has dealt with," said Mallot. "We are learning about one and another and the potential and the whole process of rediscovering one and another in the context of dealing with one single issue....We are rallying on one issue and uniting on an issue."