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Bering Straits Losses at \$26 Million

Shareholders of the Bering Straits Native Corporation, gathering in Nome this week for the corporation's June 10 annual meeting, will be told that their region lost in excess of \$21 million for the eighteen month period ending December 31. Together with previously declared losses, Bering Straits losses now total \$26 million.

This gloomy news is contained in the region's annual report, prepared by auditors from the accounting firm of Coopers and Lybrand. According to the report, BSNC lost \$15.5 million from subsidiaries which were abandoned or written off during the period. Operational losses from these subsidiaries totaled \$5.9 during the period. Companies remaining in business and Bering Straits Native Corporation itself recorded additional losses in excess of one-half million dollars.

BSNC's auditors suggested in the report that some question exists of whether the regional corporation will be able to survive the losses. Coopers and Lybrand wrote, "The ability of the Corporation to continue as an on-going concern is dependent upon the timely dismissal of the bankruptcy proceedings, achievement of the profitable operations, and alteration of the debt structure." One Bering Straits creditor, K.V. Beck of Seattle, filed involuntary bankruptcy proceedings against the regional corporation. Other litigation is pending.

BSNC Executive Director Richard L. Davis, quoted in the current issue of Nome's Bering Straits newspaper, stated that "it's going to be tough, it really is" to turn the corporation around. Davis, hired in January, attributed the losses to decisions and investments made in previous years. BSNC's Fairbanks Plaza Hotel and Nome Apartment projects have been discontinued. Bering Straits Construction Company, Mobat-Alaska, Life Systems, Alaska Truck Transport, Bering Straits Leasing and Bering Straits Equipment are among subsidiaries reported to be abandoned.

The annual report listed four goals currently established by BSNC. These include disposition of assets and payment of debts, improvement of communications with village corporations, pursuit of low risk investments which need little management oversight, and complete preparation for land conveyances.

Bering Straits president Martin Olson of Golovin told the shareholders that, despite the corporation's financial condition, none of the region's 2,250,000 acre land selection entitlement is in jeopardy. "With all of our financial difficulties, we have in no way obligated our land coming to us," Martin stated.

Bering Straits reports that it has received about \$16 million of the nearly \$44 million regional share under the Settlement Act. Much of the remaining amount is committed for existing loans and debts. About \$5 million of the total awaits the outcome of litigation involving money appropriated from the Native Fund for Council and St. Lawrence Island. If BSNC fails to win the litigation, its share of the Fund would be reduced by that amount.

For the eighteen month period included in the report Bering Straits lists assets of \$8,515,011 against liabilities of \$21,797,412. While in the past, BSNC obligated funds earmarked for village corporations for its own debts, Executive Director Davis told the Bering Straits newspaper that all village funds received after last July were placed into trust accounts to which villages have access. Davis told the newspaper that his job since recently joining BSNC has been "terribly challenging."

Stevens and Sparcks disagree on D-2

BY PAMELA HERMAN

Conflicts with federal authorities over subsistence hunting of ducks and bowhead whales should be a warning to rural Alaskans of the future impact of the d-2 bill, claims Senator Ted Stevens (R-Alaska). However, advocates of rural subsistence hunting rights still appear

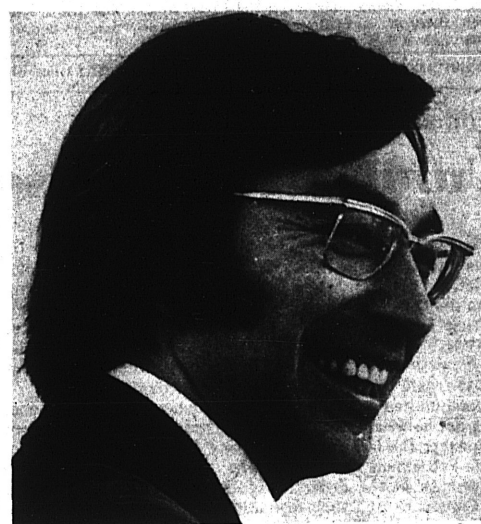
to support H.R. 39, the d-2 bill which passed the House of Representatives in Washington two weeks ago. Senators Stevens and Mike Gravel (D-Alaska) have promised that they will keep the bill from passing the Senate this year. The bill contains Title VII, specifically requested by the Alaska Federation of Natives to provide for federal oversight by State fish

and game management to protect subsistence hunting rights.

The controversy over duck hunting by rural Natives in the Bethel area in violation of the Migratory Bird Treaty Act, meanwhile, appears to be cooling down. Undersecretary James A. Joseph of the Department of the Interior telegraphed the Association of Village Council Presidents (AVCP) in Bethel to reassure them that "the U.S. Fish and Wildlife Service has no intention of filing charges against subsistence-dependent Alaska Natives who are harvesting migratory birds to feed themselves and their families."

According to Harold Sparcks, director of Nunam Kitlutsisti (the environmental arm of AVCP), Title VII of the d-2 bill is principally intended to protect subsistence users where conflict with commercial and

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Tundra Times Board Chairman William L. Hensley

Willie Hensley is new TT Board Chairman

The Board of Directors of the Eskimo, Indian, Aleut Publishing Company, owners of the Tundra Times, elected a new chairman last week. It was the unanimous decision of the directors that William L. Hensley, president of NANA Development Corporation, succeed Fairbanks attorney Barry W. Jackson as board chairman. Jackson submitted his resignation during the meeting.

In announcing his resignation, Jackson cited pressing matters at his law practice as the basis for his decision. While relinquishing the chairmanship, he agreed to remain on the board at the request of the other directors.

"I am pleased that Willie Hensley has been chosen and is willing to serve," Jackson said. "Willie is a highly respected leader in the Native community, a well-regarded figure in national Indian affairs, and is a credible business leader in the Alaska business community. It is appropriate that one so long regarded as a prominent Native voice lend a hand at this time to strengthen the Alaska Native newspaper voice," Jackson added.

Hensley, 36, in addition to his responsibilities at NANA, is Chairman of the Board of United Bank Alaska and a director of RCA AlasCom. He is a past president of the Alaska Federation of Natives and a former chairman of the Alaska Democratic Party. First elected to the Alaska Legislature in 1966, he served two terms in the state house before winning a senate seat in 1970.

After earning a degree from George Washington University and graduate study at the University of Alaska School of Business and Economics, Hensley became a driving force in the movement to settle Native claims during the mid-1960's. An organizer of the Northwest Alaska Native Association, forerunner of NANA Regional Corporation, he participated in the formation of the Alaska Federation of Natives and served as chairman of the organization's Land Claims Committee.

In accepting the chairmanship, Hensley stated, "The Tundra Times is essential. I feel that I owe it to the Native people and (Tundra Times founder) Howard Rock to do whatever I can to assist."

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