

---

BY THE U.S. GENERAL ACCOUNTING OFFICE

**Report To The Honorable Ted Stevens  
United States Senate**

---

**Information On Alaska  
Native Corporations**

The Alaska Native Claims Settlement Act provided for establishing 187 Native corporations to receive 44 million acres of land and \$962.5 million as settlement for aboriginal land claims.

This report summarizes information GAO received from the corporations on their economic viability, the cost and impact of administrative appeals and litigation, whether the 1991 date after which the corporations' stock can be sold to outsiders should be changed, and the extent to which outside groups were negatively affecting the corporations' management.



Request for copies of GAO reports should be sent to:

U.S. General Accounting Office  
Document Handling and Information  
Services Facility  
P.O. Box 6015  
Gaithersburg, Md. 20760

Telephone (202) 275-6241

The first five copies of individual reports are free of charge. Additional copies of bound audit reports are \$3.25 each. Additional copies of unbound report (i.e., letter reports) and most other publications are \$1.00 each. There will be a 25% discount on all orders for 100 or more copies mailed to a single address. Sales orders must be prepaid on a cash, check, or money order basis. Check should be made out to the "Superintendent of Documents".



UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

RESOURCES, COMMUNITY,  
AND ECONOMIC DEVELOPMENT  
DIVISION

B-204696

The Honorable Ted Stevens  
United States Senate

Dear Senator Stevens:

This report responds to your request for information on the financial viability of Alaska Native corporations, the cost of administrative appeals and litigation and their impact on the corporations, the corporations' opinions on whether the 1991 date after which corporate stock can be sold to outsiders should be changed, and whether outside groups were negatively affecting the corporations' management.

Under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 *et seq.*), the Alaska Natives have been organized into 13 regional and 174 village corporations to receive \$962.5 million and 44 million acres of land to settle Alaska Natives' claims of title to land their families had lived on for generations. The corporations have received the \$962.5 million, and the Bureau of Land Management, Department of the Interior, has issued interim conveyances or patents<sup>1</sup> for 59 percent of the 44 million acres of land to the corporations. The act gives considerable discretion to the corporations to use the land and to spend and invest the funds consistent with the authority granted by the corporations' bylaws, articles of incorporation, and Alaska's State laws. (See app. I.)

Because the Native corporations are private organizations, we have only limited access to their corporate records. Therefore, to respond to your request, we mailed a questionnaire to all Native corporations asking them about your concerns and other matters relating to the Bureau's land conveyance program. (See app. I.)

---

<sup>1</sup>"Interim conveyance" and "patent" are legal terms with distinct meanings. In general, an interim conveyance is a transfer of legal title of unsurveyed land that includes all reservations for easements, rights-of-way, or other interests imposed by law. A patent represents a conveyance of full and final title of land that has been surveyed or whose boundaries have been confirmed by other means.

We mailed the questionnaires in December 1982. As of May 1, 1983, 142 of the 187 corporations had responded. (See apps. II, V, VI, and VII.) Answers to key questions are summarized below.

--On financial viability, 63 corporations said that they had a profit during their 1982 fiscal year, 44 said that they had a loss, and 35 did not respond. Also, 91 projected that they would have a profit during the 1983-85 period, 15 said that they would likely or very likely have a loss, 14 said that they would have neither a profit nor a loss, 11 were not sure, and 11 did not respond. (See app. III.)

--When asked if their corporations had ever been involved in administrative appeals or litigation concerning the settlement act, 64 responded that they had. Regarding the approximate cost of administrative appeals or litigation, 7 of the 64 said that their corporations had not incurred any direct cost; 10 said that their costs were less than \$10,000; 24 said that their costs were in the \$10,000 to \$99,999 range; 21 said that their costs were in the \$100,000 to \$4,999,999 range; and 2 did not respond. (See app. III.)

--When asked the extent to which administrative appeals or litigation had an adverse impact on their corporations' economic development, 46 of the 64 responded to a moderate, great, or very great extent; 9 said to some extent; and 9 said to little or no extent. (See app. III.)

--When asked if a change was needed in the 1991 date after which stock of Native corporations can be sold to outsiders, 2 said that the date should be sooner, 24 said that no change was needed, 42 said that the date should be extended, 62 said that stock sales should never be allowed, and 12 did not respond. (See app. IV.)

--When asked to what extent, if at all, nonshareholders' activities were negatively affecting their corporate management, 35 said to a moderate, great, or very great extent; 27 said to some extent; 74 said to little or no extent; and 6 did not respond. (See app. IV.)

In addition to obtaining information through the questionnaire, which we pretested at two regional and four village corporations, we interviewed Department of the Interior officials in Anchorage and Juneau, Alaska; reviewed annual financial

statements of 36 corporations to verify responses to the questionnaire; and discussed the draft report with Interior headquarters officials. (See app. II.) We also obtained written comments from the Department. The comments and our responses are included as appendix VIII. Where appropriate, we made changes to clarify the report based on the Department's comments.

- - - -

Copies of this report are being sent to the Senate Committee on Energy and Natural Resources; the House Committee on Interior and Insular Affairs; the Secretary of the Interior; the Director, Office of Management and Budget; Native regional and village corporations; Senator Frank Murkowski; Representative Don Young; and, upon request, other interested parties.

Sincerely yours,

  
for J. Dexter Peach  
Director



C o n t e n t s

	<u>Page</u>	
APPENDIX		
I	ALASKA NATIVE CLAIMS SETTLEMENT ACT AND OUR AUDIT AUTHORITY	1
	Purpose and status of settlement act activities	1
	Our access to records authority relating to regional and village corporations	2
II	OBJECTIVES, SCOPE, AND METHODOLOGY	3
III	ECONOMIC VIABILITY OF ALASKA NATIVE CORPORATIONS AND ADVERSE IMPACT OF ADMINISTRATIVE APPEALS OR LITIGATION ON CORPORATIONS' ECONOMIC DEVELOPMENT	5
	Economic viability of regional corporations	5
	Economic viability of village corporations	6
	Corporations' profit and loss projections	7
	Adverse impact of administrative appeals or litigation on corporations' economic development	8
IV	CORPORATIONS' VIEWS ON CHANGING THE 1991 STOCK DATE AND ON NEGATIVE INFLUENCES OF OUTSIDE GROUPS	10
	Corporations' views on changing the 1991 stock date	10
	Possible effects of stock sales	10
	Negative influences of outside groups	11
V	COMBINED REGIONAL AND VILLAGE NATIVE CORPORATIONS' RESPONSES TO OUR QUESTIONNAIRE	13
VI	REGIONAL NATIVE CORPORATIONS' RESPONSES TO OUR QUESTIONNAIRE	19
VII	VILLAGE NATIVE CORPORATIONS' RESPONSES TO OUR QUESTIONNAIRE	25
VIII	DEPARTMENT OF THE INTERIOR'S COMMENTS AND OUR EVALUATION	31

ABBREVIATIONS

BIA	Bureau of Indian Affairs
BLM	Bureau of Land Management
GAO	General Accounting Office





ALASKA NATIVE CLAIMS SETTLEMENT ACTAND OUR AUDIT AUTHORITYPURPOSE AND STATUS OF  
SETTLEMENT ACT ACTIVITIES

The Alaska Native Claims Settlement Act, enacted December 18, 1971, was intended to settle the Alaska Native Indian, Aleut, and Eskimo population's claims of aboriginal title to land their families had lived on for generations. Under the act, all aboriginal land claims were to be canceled in exchange for conveyance of title to approximately 44 million acres of land and a monetary settlement of \$962.5 million to about 78,800 Alaska Natives.

The Department of the Interior is the primary executive department responsible for implementing the act and its amendments. The act requires the Secretary of the Interior to (1) withdraw (or set aside) additional public lands for Native selection if the lands withdrawn by the settlement act were insufficient to permit a village or regional corporation to select the acreage it is entitled to select, (2) survey selected areas, (3) reserve public easements on land selected by Native corporations, and (4) convey land titles. The Secretary delegated responsibility for distributing the \$962.5 million to the Bureau of Indian Affairs (BIA) and the responsibility for conveying the land to the Bureau of Land Management (BLM). As of December 31, 1982, all of the \$962.5 million had been distributed and about 26 million acres, or 59 percent, of the 44 million acres had been interimly conveyed or Natives given patent for the land. BLM cannot issue patent (full title) for the lands, however, until it surveys the lands' exterior boundaries and identifies all valid inholdings. As of December 31, 1982, only 3 million of the 44 million acres had been patented.

The act also provided a framework to establish the basic ownership pattern (regional and village corporations) through which Alaska Natives may fully participate in the social and economic life of the State and Nation. Under the act, money was to be received on a schedule and basis set forth in the act and was to be administered through regional and village corporations. When the act was passed, about 220 Native village corporations were entitled to receive land and money under the act. After a number of the corporations merged, there were a total of 174 village corporations as of December 31, 1982. Also, 13 regional corporations had been formed as of that date.

The regional and village corporations are organized as for-profit organizations under Alaska State laws and under the

authority of the settlement act's terms. The act sets requirements on such matters as the distribution of funds received by the regional corporations to stockholders and village corporations, approval by the Secretary of the Interior of the original articles of incorporation, and stockholders' rights. The act does not set any express limitations on the use of funds retained by the regional corporations or the use of funds distributed by the regional corporations to the village corporations. The regional corporations can expend and invest funds consistent with the authority granted by the corporate bylaws, articles of incorporation, and Alaska laws not otherwise inconsistent with the act.

Each eligible Native is entitled to membership both in the corporation established for his or her village and in the corporation for the region in which the village is located. As shareholders, the Natives are entitled to a voice in the management of and a share in the lands, assets, and income which are owned and managed by the corporations. Although the Natives have ownership and control over their lands, the act provides that they cannot sell their shares of corporation stock to outsiders for 20 years after December 18, 1971.

As of July 1, 1982, about 25 regional or village corporations were involved in litigation concerning the settlement act. In 16 of the cases, the Native corporations were the litigants.

OUR ACCESS TO RECORDS AUTHORITY RELATING TO  
REGIONAL AND VILLAGE CORPORATIONS

We have authority under the Legislative Reorganization Act of 1970, as amended (31 U.S.C. 717 et seq.), to evaluate the results of Government programs and activities carried on under existing laws. However, our access to the records of the regional and village corporations is limited to their use of Federal funds under contract grants or other assistance. Since Senator Stevens' questions went beyond the use of Federal funds, we decided to seek the necessary information through voluntary questionnaires.

OBJECTIVES, SCOPE, AND METHODOLOGY

Pursuant to Senator Stevens' request of October 21, 1982, and discussions with his office, our objectives in this review were to obtain information on (1) the Alaska Native corporations' economic viability, (2) the impact of litigation on the corporations, (3) the effect that the 1991 date, after which stock transactions to outsiders can occur, might have on the corporations, and (4) the extent to which outside groups might be affecting the corporations' management.

At the time of the request, we were developing a questionnaire for an ongoing review of the Department of the Interior's program for conveying land to the State and Natives of Alaska. After we received Senator Stevens' request, we revised the questionnaire to include questions addressing his concerns.

While we were developing the questionnaire, we met with officials of the Alaska Native Foundation, the Alaska Federation of Natives, and the Alaska Native Land Managers Association to discuss the questionnaire's purpose and its intended use. A draft version of the questions relating to Senator Stevens' concerns was discussed with and agreed to by the Senator's office. To further develop and refine the questions, we pretested the proposed questions with two regional corporations in Anchorage and Barrow, Alaska, and four village corporations in Anchorage, Barrow, McGrath, and Wasilla, Alaska.

On December 17, 1982, we mailed questionnaires to all 187 regional and village corporations. We mailed a followup letter on January 12, 1983, to the 140 corporations that had not responded as of that date, and from January 28 through February 3, 1983, we telephoned or tried to telephone the nonresponding corporations.

As we received the completed questionnaires, we edited the responses and developed a computerized data file. We followed generally accepted procedures to assure accuracy of the data base, which included reviewing the data file for obvious errors and consistency within each instrument and verifying 100 percent of the data elements back to the original questionnaires. Detected errors were corrected before the data was analyzed.

As of May 1, 1983, we had received 142 responses, which represented 76 percent of the potential respondents. The following schedule shows the number of corporations to which we mailed questionnaires and the number that responded.

<u>Type of corporation</u>	<u>Number of questionnaires mailed</u>	<u>Number of responses</u>	<u>Percent responding</u>
Regional	13	13	100
Village	<u>174</u>	<u>129</u>	74
Total	<u>187</u>	<u>142</u>	76

Throughout the report, we refer to the responses to various questions. On some questions, the responses do not total 142 because some corporations did not respond to all questions or some responses could not be used.

We relied heavily on the questionnaire to obtain the information to respond to Senator Stevens' request. Because we have only limited access to Alaska Native regional and village corporate records (see app. I), using a questionnaire was the best way to obtain information from the corporations in a consistent and uniform manner.

To verify some of the information the corporations provided, we reviewed 59 financial reports for either 1980 or 1981 applicable to 36 corporations. On the basis of this review, we believe that the financial information the corporations provided was generally accurate and reliable.

We also interviewed BIA and BLM officials in Anchorage and Juneau, Alaska, and discussed the draft report with Interior headquarters officials. We obtained oral comments from the Chief, Alaska Programs Staff, BLM, who said that he had no problems with the information in the report. We also discussed the report with Interior's Office of Inspector General. Its authority extends only to a corporation's use of Federal funds. The Department provided written comments in a June 30, 1983, letter. (See app. VIII.)

We did our work in accordance with generally accepted government auditing standards.

ECONOMIC VIABILITY OF ALASKA NATIVE CORPORATIONS  
AND ADVERSE IMPACT OF ADMINISTRATIVE APPEALS OR  
LITIGATION ON CORPORATIONS' ECONOMIC DEVELOPMENT

We asked nine questions relating to the Alaska Native corporations' economic viability. (See apps. V, VI, and VII, questions 1 to 9.) Our analysis of the responses showed, in part, that

- of the 107 corporations reporting financial results for 1982, 63 said that they operated profitably and 44 said that they had a loss;
- of the 107 corporations reporting financial results for each year during the 1980-82 period, 43 said that they had a profit all 3 years, while 35 others said that they had incurred losses all 3 years; and
- 78 corporations projected profits beyond 1991; 2 projected losses; and of the remaining 62, 40 were not sure, 12 did not respond, and 10 said that they would have neither a profit nor a loss.

We asked five questions relating to the cost of administrative appeals or litigation and their impact on the corporations' economic development. (See apps. V, VI, and VII, questions 10 to 14.) Of the 64 corporations that said they had been involved in administrative appeals or litigation, 32 responded that they had spent \$50,000 or more on these matters. Also, 46 of the 64 said that administrative appeals or litigation had had an adverse impact on their corporations' economic development from a moderate to a very great extent. The most common type of administrative appeal or litigation involved land being conveyed or available for conveyance to the corporation.

ECONOMIC VIABILITY OF REGIONAL CORPORATIONS

Of the 13 regional corporations responding to our questionnaire, 11 provided 1982 profitability data and 12 provided 1981 and 1980 profitability data. (See app. VI, question 9.) The table on page 6 shows the range of before tax profits and losses these regional corporations incurred for 1980-82.

Range of profit or loss	Number of regional corporations					
	1982		1981		1980	
	<u>Profit</u>	<u>Loss</u>	<u>Profit</u>	<u>Loss</u>	<u>Profit</u>	<u>Loss</u>
Less than \$100,000	0	0	0	0	0	0
\$100,000 to \$499,999	2	0	2	1	2	0
\$500,000 to \$999,999	1	1	0	1	2	0
\$1,000,000 to \$4,999,999	4	2	2	4	0	4
\$5,000,000 to \$9,999,999	0	0	0	1	2	2
\$10,000,000 or more	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>8</u>	<u>3</u>	<u>5</u>	<u>7</u>	<u>6</u>	<u>6</u>

Further analysis showed that five of the regional corporations operated profitably all 3 years, while three incurred before tax losses all 3 years.

#### ECONOMIC VIABILITY OF VILLAGE CORPORATIONS

Of the 129 village corporations responding to our questionnaire, 96 provided 1982 profitability data and 97 provided 1981 and 1980 data. (See app. VII, question 9.) The table on page 7 shows the range of before tax profits and losses these village corporations incurred for 1980-82.

<u>Range of profit or loss</u>	<u>Number of village corporations</u>					
	<u>1982</u>		<u>1981</u>		<u>1980</u>	
	<u>Profit</u>	<u>Loss</u>	<u>Profit</u>	<u>Loss</u>	<u>Profit</u>	<u>Loss</u>
Less than \$100,000	32	21	36	23	37	32
\$100,000 to \$499,999	17	11	9	17	9	12
\$500,000 to \$999,999	3	3	5	3	0	5
\$1,000,000 to \$4,999,999	<u>3</u>	<u>6</u>	<u>0</u>	<u>4</u>	<u>0</u>	<u>2</u>
Total	<u>55</u>	<u>41</u>	<u>50</u>	<u>47</u>	<u>46</u>	<u>51</u>

Further analysis showed that 38 village corporations operated profitably all 3 years, while 32 incurred before tax losses all 3 years.

#### CORPORATIONS' PROFIT AND LOSS PROJECTIONS

Over half the corporations projected profits in future years, while only 15 or fewer projected losses. (See app. V, question 8.) Only two corporations projected a loss beyond 1991 as shown by the following schedule.

<u>Date</u>	<u>Corporations' projections of profit or loss, before taxes</u>			
	<u>Likely or very likely a profit</u>	<u>Neither a profit nor loss</u>	<u>Likely or very likely a loss</u>	<u>Not sure or no response</u>
1983-85	91	14	15	22
1986-91	88	11	4	39
Beyond 1991	78	10	2	52

Further analysis of profit and loss projections by those corporations that had profits or losses in 1982 is shown in the table on page 8. As the table shows, 38 of the corporations that had profits in 1982 projected profits beyond 1991, while only 2 projected losses. Twenty-eight of the corporations that had losses in 1982 projected profits beyond 1991, while none projected losses beyond 1991.

Number of Corporations With 1982 Profits or Losses  
That Projected Future Profits or Losses

<u>Category</u>	<u>Projections for 1983-85</u>		<u>Projections for 1986-91</u>		<u>Projections beyond 1991</u>	
	<u>Profit</u>	<u>Loss</u>	<u>Profit</u>	<u>Loss</u>	<u>Profit</u>	<u>Loss</u>
Corporations having a profit in 1982	49	3	45	2	38	2
Corporations having a loss in 1982	25	10	28	2	28	0

ADVERSE IMPACT OF ADMINISTRATIVE  
APPEALS OR LITIGATION ON CORPORATIONS'  
ECONOMIC DEVELOPMENT

Of the 142 respondents, 64 (45 percent) said that their corporations had been involved in administrative appeals or litigation concerning the settlement act. (See app. V, question 10.) Of these 64, 46 said that the administrative appeals or litigation had had an adverse impact on their economic development from a moderate to a very great extent. (See app. V, question 13.)

Most appeals or litigation had involved the availability or conveyance of land to the corporations, Native allotment problems, easements, and navigability determinations. Corporate eligibility, development activities, water rights, and corporate mergers had also been contested. (See app. V, question 11.) Regarding navigable waterways, one corporation said that the "[p]reservation attitude of outside non-Natives influences \* \* \* stops everything \* \* \* and creates never ending legal defense costs." Another corporation said that certain special interest groups are challenging conveyances to force the corporations into bankruptcy.

Of the 62 corporations responding to a question on appeal or litigation expenses, 30 (48 percent) said that they had spent less than \$50,000 on these costs, including 7 that said they had not incurred any direct cost. Of the remainder, 22 (35 percent) reported spending between \$50,000 and \$1 million, while 10 (16 percent) reported spending between \$1 million and \$5 million. (See app. V, question 12.)

We also asked the corporations about the extent to which their economic development objectives were being adversely affected by the speed of land conveyances under BLM's land conveyance program. Of the 127 corporations responding, 70 said that they had been adversely affected from a moderate to a very



great extent, 25 said to some extent, and 32 said to little or no extent. (See app. V, question 1.)

As previously mentioned, 3 regional and 32 village corporations had incurred losses each year during the 1980-82 period. Our analysis of these 35 corporations' responses showed that 30 said that their economic development objectives had been adversely affected by the speed of land conveyances from some to a very great extent and 18 said that their economic development had been adversely affected by administrative appeals or litigation from some to a very great extent. The following table summarizes these corporations' responses.

<u>Extent affected</u>	Number of corporations with losses for 1980-82 whose economic development was adversely affected by	
	<u>Speed of land conveyance</u>	<u>Administrative appeals or litigation</u>
Great or very great	15	11
Some or moderate	15	7
Little or no	<u>4</u>	<u>3</u>
Total	<u>a34</u>	<u>a21</u>

<sup>a</sup>Table includes only those responding corporations that provided usable responses.

An official of one village corporation, which did not respond to our question on profitability or submit audited financial reports to BIA, said, nevertheless, that the corporation had

"\* \* \* suffered from the delay in land being conveyed to it due to the market price for timber declining sharply in the 1980's. If \* \* \* [the corporation] had received its land immediately after passage of the Act \* \* \* [it] would have realized approximately \$8 to \$10 million in its present bank investments."

According to the official, this corporation had expected to receive land immediately after the settlement act was passed in 1971, but it did not receive land until the 1980-82 period.

CORPORATIONS' VIEWS ON CHANGING THE 1991 STOCK DATE  
AND ON NEGATIVE INFLUENCES OF OUTSIDE GROUPS

We asked three questions relating to the corporations' views on changing the 1991 stock date after which stock can be sold to outsiders and two questions relating to outside groups' negative influences on the corporations. (See apps. V, VI, and VII, questions 15 to 19.)

CORPORATIONS' VIEWS ON CHANGING  
THE 1991 STOCK DATE

Of the 130 corporations that commented on the 1991 stock date, nearly half (62) said that stock sales should never be allowed. Another 42 (32 percent) said that the date when corporate stock can be sold should be deferred 1 or more years beyond 1991. Of the remainder, 24 said that there was no need to change the date and 2 said that the date should be moved up. (See app. V, question 15.)

One corporation official commented that corporations should have a 20-year grace period after they receive patents to their selected lands before property taxes and stock sales are allowed. Another official commented that more research is needed to determine the economic effect and possible loss of control of Native corporations.

POSSIBLE EFFECTS OF STOCK SALES

The table on page 11 shows the corporations' responses on the extent to which they believed various conditions would occur if stock were sold. (See app. V, question 17.)

<u>Condition</u>	<u>Extent to which condition would occur if stock were sold</u>		
	<u>Little or no</u>	<u>Some, moderate, great, or very great</u>	<u>Not sure or no response</u>
Loss of Native land control	15	109	18
Exploitation of Native assets	14	102	26
Curtailement of Native welfare activities	24	79	39
Loss of Native traditional activities	23	96	23
Increased resources for new business activities	36	75	31
Increased capital for ongoing projects	44	56	42

One village corporation official commented that:

"We don't want to be taxed or we will lose our land and we don't want to have the stock sold or transferred to non-Native stockholders else we will lose control of our land."

The questionnaire responses showed that 67, or half, of the 134 corporations responding anticipated from some to a very great extent that other than current shareholders will buy some corporate stock when it becomes available if the 1991 legislative deadline is not extended. Also, 96 of 135 corporations anticipated from some to a very great extent that they would purchase their stockholders' shares. (See app. V, question 16.)

#### NEGATIVE INFLUENCES OF OUTSIDE GROUPS

About 46 percent of the corporations responding (62 of 136) believed from some to a very great extent that nonshareholders' activities were negatively affecting their corporations' management. (See app. V, question 18.) The various types of nonshareholder activities and the number of corporations that cited the activities as negatively affecting their corporations from some to a very great extent (see app. V, question 19) are shown in the table on page 12.

Nonshareholder Activities and Number of Corporations  
Perceiving Them As Having a Negative Effect on the Corporation

<u>Nonshareholder activity</u>	<u>Number of corporations</u>
Establishing competing business	40
Initiating litigation over proposed business activities	40
Establishing business ties with the corporation	32
Overextending debt to the corporation	22
Overextending debt to the shareholders	20
Providing or promising money or assets to shareholders	19
Providing or promising employment	26
Exercising control over stock by trust officers of financial institutions	14

One village corporation official commented that the corporation does not have a problem now with nonshareholders' activities but that it may soon because "[n]onshareholders are slowly overwhelming villagers with ideas that are detrimental to the future of the people."

COMBINED REGIONAL AND VILLAGE NATIVE  
CORPORATIONS' RESPONSES TO OUR QUESTIONNAIRE<sup>a</sup>

ECONOMIC VIABILITY

1. To what extent, if at all, have your corporation's economic development objectives been adversely affected by the speed of land conveyances? (Check one.)

- To a very great extent 22
- To a great extent 27
- To a moderate extent 21
- To some extent 25
- To little or no extent 32
- Corporation does not have economic development objectives 13
- No response or not applicable 2

2. Have annual financial statements for fiscal years 1982, 1981, and 1980 been prepared for your corporation? (Check one for each fiscal year.)

Fiscal Years	Yes	No	In process	No response
1982	80 <input type="checkbox"/>	9 <input type="checkbox"/>	50 <input type="checkbox"/>	3
1981	125 <input type="checkbox"/>	10 <input type="checkbox"/>		7
1980	129 <input type="checkbox"/>	5 <input type="checkbox"/>		8

3. Have your corporation's financial accounts for your fiscal years 1982, 1981, and 1980 been audited by an independent auditor (for example, a certified public accountant)? (Check one box for each fiscal year.)

Fiscal Years	Yes	No	No response
1982	114 <input type="checkbox"/>	23 <input type="checkbox"/>	5
1981	121 <input type="checkbox"/>	14 <input type="checkbox"/>	7
1980	124 <input type="checkbox"/>	12 <input type="checkbox"/>	6

<sup>a</sup>We sent 187 questionnaires to Alaska Native corporations and received 142 responses. This appendix contains selected excerpts from the questionnaire. We plan to address the remainder of the responses in a subsequent report on DOI's land conveyance program. For use in this report, the questions have been renumbered and reorganized. Also, except where specifically noted, the responses included in this appendix cover combined region and village responses. Some of the responding 142 corporations did not answer all questions.

APPENDIX V

4. Approximately what were your corporation's total assets, excluding BLM land conveyed, for your 1982, 1981, and 1980 fiscal years? (Check one box in each column.)

	Fiscal Years		
	1982	1981	1980
Less than \$100,000	11	13	16
\$100,000 to \$499,999	22	25	29
\$500,000 to \$999,999	15	18	19
\$1,000,000 to \$4,999,999	42	37	35
\$5,000,000 to \$9,999,999	9	9	7
\$10,000,000 or more	26	24	21
No response	17	16	15

5. Approximately what were your corporation's total outstanding liabilities (short- and long-term) at the end of your 1982, 1981, and 1980 fiscal years? (Check one box in each column.)

	Fiscal Years		
	1982	1981	1980
Less than \$100,000	64	67	75
\$100,000 to \$499,999	19	20	18
\$500,000 to \$999,999	9	10	8
\$1,000,000 to \$4,999,999	17	16	15
\$5,000,000 to \$9,999,999	4	4	3
\$10,000,000 or more	12	11	9
No response	17	14	14

8. In your opinion, how likely is it that your corporation will have a profit or loss, before taxes, during each of the following time periods? (Check one box for each period.)

	Likelihood of Profit or Loss						
	Very likely a profit	Likely a profit	Neither a profit nor a loss	Likely a loss	Very likely a loss	Not sure	No response
1983 - 1985	43	48	14	11	4	11	11
1986 - 1991	48	40	11	3	1	26	13
Beyond 1991	48	30	10	2	0	40	12

APPENDIX V

6. Approximately what were your corporation's gross operating revenues for your 1982, 1981, and 1980 fiscal years? (Check one box in each column.)

	Fiscal Years		
	1982	1981	1980
Less than \$100,000	55	67	76
\$100,000 to \$499,999	32	25	24
\$500,000 to \$999,999	8	11	9
\$1,000,000 to \$4,999,999	20	17	11
\$5,000,000 to \$9,999,999	5	1	5
\$10,000,000 or more	9	9	6
No response	13	12	11

7. Did your corporation pay dividends to shareholders in fiscal years 1982, 1981, and 1980? (Check one box for each year. Check "yes" if your FY82 is not yet ended but you plan to declare a dividend.)

Fiscal Years	Yes	No	No response
1982	28 <input type="checkbox"/>	104 <input type="checkbox"/>	10
1981	36 <input type="checkbox"/>	99 <input type="checkbox"/>	7
1980	30 <input type="checkbox"/>	103 <input type="checkbox"/>	9

9. Approximately what were your corporation's profits or losses before taxes for your 1982, 1981, and 1980 fiscal years? (Check one box for each year.)

	Fiscal Years					
	Profit			Loss		
	1982	1981	1980	1982	1981	1980
Less than \$100,000	32	36	37	21	23	32
\$100,000 to \$499,999	19	11	11	11	18	12
\$500,000 to \$999,999	4	5	2	4	4	5
\$1,000,000 to \$4,999,999	7	2	0	8	8	6
\$5,000,000 to \$9,999,999	0	0	2	0	1	2
\$10,000,00 or more	1	1	0	0	0	0
No response:				1982 - 35	1981 - 33	1980 - 33

**ADMINISTRATIVE APPEALS  
OR LITIGATION**

10. Has your corporation ever been involved in administrative appeals or litigation concerning the Settlement Act? (Check one.)

- Yes (Continue to question 11) 64
- No (Go to question 14) 71
- No response 7

11. What is the nature and/or purpose of these administrative appeals or litigation? (Check as many as apply.)

- Corporation eligibility 21
- Land being conveyed or available for conveyance to your corporation 40
- Waterways being determined navigable or non-navigable 23
- Easements being reserved 27
- Allotment eligibility 19
- Allotment relocations 11
- Land development activities by your corporation 11
- Merger activity by your corporation 6
- Surface water rights 9
- Other (Specify) Does not lend itself to summarization. 14

12. What has been the approximate cost of administrative appeals or litigation to your corporation? (Check one.)

- No direct cost 7
- Less than \$10,000 10
- \$10,000 to \$49,999 13
- \$50,000 to \$99,999 11
- \$100,000 to \$499,999 8
- \$500,000 to \$999,999 3
- \$1,000,000 to \$4,999,999 10
- \$5,000,000 or more 0
- No response or not applicable 80

13. To what extent, if at all, have administrative appeals or litigation had an adverse impact on the economic development of your corporation? (Check one.)

- To a very great extent 18
- To a great extent 12
- To a moderate extent 16
- To some extent 9
- To little or no extent 9
- Not applicable 78

14. Overall, what is the approximate amount your corporation has spent to date to receive land under the Settlement Act, such as costs to organize as a corporation to receive land? (Check one.)

- Less than \$10,000 43
- \$10,000 to \$49,999 25
- \$50,000 to \$99,999 18
- \$100,000 to \$499,999 23
- \$500,000 to \$999,999 8
- \$1,000,000 to \$4,999,999 7
- \$5,000,000 or more 5
- No response 13

SALE OF CORPORATIONS'  
STOCK IN 1991

15. The stock of Native corporations organized under the Settlement Act can be sold in 1991. If you feel there is no need to change this date, check "1991" below. If you feel this date should be changed, indicate your preferred date below. (Check one.)

- 1985 or sooner 1
- 1986 - 1990 1
- 1991 (as in present law) 24
- 1992 - 1996 7
- 1997 - 2001 14
- 2002 or later 21
- Stock sales should never be allowed 62
- No response 12

16. To what extent, if at all, do you anticipate any of the following types of transactions in your corporation's stock if the 1991 legislative deadline is not extended? (Check one box for each potential action.)

Transactions	To little or no extent	To a moderate extent	To some extent	To a great extent	To a very great extent	Not sure	No response
Sales of stock by your shareholders	29	23	35	19	13	17	6
Purchase of your shareholders stock by your corporation	16	24	35	22	15	23	7
Voluntary sale of additional shares of stock by your corporation	70	10	10	3	1	40	8
Forced sale of stock by your corporation because of bankruptcy	82	6	3	2	3	37	9
Purchase of your corporation's stock by other-than-current share holders	41	14	22	15	16	26	8
Other (Specify) <u>Does not lend itself to summarization.</u>	0	0	0	0	4	0	138



17. To what extent, if any at all, do you believe the sale of your corporation's stock will result in the following conditions? (Check one box for each potential condition.)

	To little or no extent	To some extent	To a moderate extent	To a great extent	To a very great extent	Not sure	No response
Loss of Native land control	15	18	12	17	62	9	9
<b>Exploitation of Native land control</b>	14	21	11	22	48	16	10
Curtailment of Native welfare activities	24	20	9	16	34	27	12
Loss of Native traditional activities	23	14	16	19	47	14	9
Increased resources for new business activities	36	29	21	10	15	21	10
Increased capital for on-going projects	44	14	25	9	8	29	13
Other (Specify)							
<u>Corporate loss of stock and control of</u>							
<u>Board of Directors and assets.</u>	0	0	0	0	1	0	141

IMPACT OF OUTSIDE GROUPS

18. To what extent, if at all, do you feel activities of non-shareholders of your corporation (non-Natives or Native shareholders of other corporations) are negatively affecting your corporation's management? (Check one.)

- To a very great extent
  - To a great extent
  - To a moderate extent
  - To some extent
  - To little or no extent
  - No response
- 11  
9  
15  
27  
74  
6
- } (Continue to question 19)

APPENDIX V

APPENDIX V

19. To what extent, if at all, are the activities of these non-shareholders negatively affecting your corporation? (Check one box for each of the following.)

	To little or no extent	To some extent	To a moderate extent	To a great extent	To a very great extent	Not sure	No response or not applicable
Establishing competing business	16	10	15	7	8	1	85
Initiating litigation over proposed business activities (for example, land development)	15	19	9	7	5	3	84
Establishing business ties with your corporation (for example, supplies or marketing)	23	14	10	2	6	3	84
Overextending debt to your corporation	34	9	5	5	3	2	84
Overextending debt to your shareholders	33	8	6	3	3	4	85
Providing for or promising money or other assets to your shareholders	31	11	4	2	2	8	84
Providing for or promising employment to your shareholders	27	17	1	1	7	5	84
<b>Exercising control over stock by trust officers of financial institutions</b>	31	6	3	2	3	12	85
Other (Specify) Initiating litigation nominally in the name of shareholders.	0	0	0	1	0	0	141

REGIONAL NATIVE CORPORATIONS'

RESPONSES TO OUR QUESTIONNAIRE<sup>a</sup>

ECONOMIC VIABILITY

1. To what extent, if at all, have your corporation's economic development objectives been adversely affected by the speed of land conveyances? (Check one.)

- To a very great extent 3
- To a great extent 1
- To a moderate extent 2
- To some extent 4
- To little or no extent 2
- Corporation does not have economic development objectives 0
- Not applicable 1

2. Have annual financial statements for fiscal years 1982, 1981, and 1980 been prepared for your corporation? (Check one for each fiscal year.)

Fiscal Years	Yes	No	In process
1982	9 <input type="checkbox"/>	0 <input type="checkbox"/>	4 <input type="checkbox"/>
1981	13 <input type="checkbox"/>	0 <input type="checkbox"/>	
1980	13 <input type="checkbox"/>	0 <input type="checkbox"/>	

3. Have your corporation's financial accounts for your fiscal years 1982, 1981, and 1980 been audited by an independent auditor (for example, a certified public accountant)? (Check one box for each fiscal year.)

Fiscal Years	Yes	No
1982	12 <input type="checkbox"/>	1 <input type="checkbox"/>
1981	13 <input type="checkbox"/>	0 <input type="checkbox"/>
1980	13 <input type="checkbox"/>	0 <input type="checkbox"/>

<sup>a</sup>We sent questionnaires to 13 Alaska Native regional corporations and received 13 responses. This appendix contains the questions we added at the request of Senator Stevens. The other questions will be included in a subsequent report on the Department of the Interior's land conveyance program. For this report, the questions have been renumbered and reorganized. Some of the responding corporations did not answer all questions.

**APPENDIX VI**

4. Approximately what were your corporation's total assets, excluding BLM land conveyed, for your 1982, 1981, and 1980 fiscal years? (Check one box in each column.)

	Fiscal Years		
	1982	1981	1980
Less than \$100,000	0	0	0
\$100,000 to \$499,999	0	0	0
\$500,000 to \$999,999	0	0	0
\$1,000,000 to \$4,999,999	0	0	0
\$5,000,000 to \$9,999,999	1	0	0
\$10,000,000 or more	12	13	13

5. Approximately what were your corporation's total outstanding liabilities (short- and long-term) at the end of your 1982, 1981, and 1980 fiscal years? (Check one box in each column.)

	Fiscal Years		
	1982	1981	1980
Less than \$100,000	0	0	0
\$100,000 to \$499,999	0	0	0
\$500,000 to \$999,999	0	0	0
\$1,000,000 to \$4,999,999	3	2	2
\$5,000,000 to \$9,999,999	0	2	3
\$10,000,000 or more	10	9	8

8. In your opinion, how likely is it that your corporation will have a profit or loss, before taxes, during each of the following time periods? (Check one box for each period.)

	Very likely a profit	Likely a profit	Neither a profit nor a loss	Likely a loss	Very likely a loss	Not sure	No response
1983 - 1985	8	1	0	2	0	1	1
1986 - 1991	8	3	0	0	0	1	1
Beyond 1991	7	3	0	0	0	2	1

**APPENDIX VI**

6. Approximately what were your corporation's gross operating revenues for your 1982, 1981, and 1980 fiscal years? (Check one box in each column.)

	Fiscal Years		
	1982	1981	1980
Less than \$100,000	0	0	0
\$100,000 to \$499,999	1	0	1
\$500,000 to \$999,999	0	1	0
\$1,000,000 to \$4,999,999	1	3	3
\$5,000,000 to \$9,999,999	2	0	2
\$10,000,000 or more	8	8	6
No response	1	1	1

7. Did your corporation pay dividends to shareholders in fiscal years 1982, 1981, and 1980? (Check one box for each year. Check "yes" if your FY82 is not yet ended but you plan to declare a dividend.)

Fiscal Years	Yes	No
1982	5 <input type="checkbox"/>	8 <input type="checkbox"/>
1981	6 <input type="checkbox"/>	7 <input type="checkbox"/>
1980	6 <input type="checkbox"/>	7 <input type="checkbox"/>

9. Approximately what were your corporation's profits or losses before taxes for your 1982, 1981, and 1980 fiscal years? (Check one box for each year.)

	Fiscal Years					
	Profit			Loss		
	1982	1981	1980	1982	1981	1980
Less than \$100,000	0	0	0	0	0	0
\$100,000 to \$499,999	2	2	2	0	1	0
\$500,000 to \$999,999	1	0	2	1	1	0
\$1,000,000 to \$4,999,999	4	2	0	2	4	4
\$5,000,000 to \$9,999,999	0	0	2	0	1	2
\$10,000,00 or more	1	1	0	0	0	0

No response: 1982 - 2  
1981 - 1  
1980 - 1

ADMINISTRATIVE APPEALS  
OR LITIGATION

10. Has your corporation ever been involved in administrative appeals or litigation concerning the Settlement Act? (Check one.)

- Yes (Continue to question 11) 12
- No (Go to question 14) 1

11. What is the nature and/or purpose of these administrative appeals or litigation? (Check as many as apply.)

- Corporation eligibility 7
- Land being conveyed or available for conveyance to your corporation 10
- Waterways being determined navigable or non-navigable 8
- Easements being reserved 8
- Allotment eligibility 8
- Allotment relocations 4
- Land development activities by your corporation 5
- Merger activity by your corporation 2
- Surface water rights 4
- Other (Specify) Does not lend itself to summarization. 3

12. What has been the approximate cost of administrative appeals or litigation to your corporation? (Check one.)

- No direct cost 0
- Less than \$10,000 0
- \$10,000 to \$49,999 0
- \$50,000 to \$99,999 1
- \$100,000 to \$499,999 2
- \$500,000 to \$999,999 1
- \$1,000,000 to \$4,999,999 8
- \$5,000,000 or more 0
- Not applicable 1

13. To what extent, if at all, have administrative appeals or litigation had an adverse impact on the economic development of your corporation? (Check one.)

- To a very great extent 3
- To a great extent 4
- To a moderate extent 2
- To some extent 3
- To little or no extent 0
- Not applicable 1

14. Overall, what is the approximate amount your corporation has spent to date to receive land under the Settlement Act, such as costs to organize as a corporation to receive land? (Check one.)

- Less than \$10,000 0
- \$10,000 to \$49,999 1
- \$50,000 to \$99,999 0
- \$100,000 to \$499,999 0
- \$500,000 to \$999,999 1
- \$1,000,000 to \$4,999,999 5
- \$5,000,000 or more 4
- No response 2

SALE OF CORPORATIONS'  
STOCK IN 1991

15. The stock of Native corporations organized under the Settlement Act can be sold in 1991. If you feel there is no need to change this date, check "1991" below. If you feel this date should be changed, indicate your preferred date below. (Check one.)

- 1985 or sooner 0
- 1986 - 1990 0
- 1991 (as in present law) 4
- 1992 - 1996 0
- 1997 - 2001 1
- 2002 or later 0
- Stock sales should never be allowed 6
- No response 2

16. To what extent, if at all, do you anticipate any of the following types of transactions in your corporation's stock if the 1991 legislative deadline is not extended? (Check one box for each potential action.)

Transactions	To little or no extent	To a moderate extent	To some extent	To a great extent	To a very great extent	Not sure	No response
Sales of stock by your shareholders	0	5	6	2	0	0	0
Purchase of your shareholders stock by your corporation	2	5	4	1	0	0	1
Voluntary sale of additional shares of stock by your corporation	6	2	1	1	0	2	1
Forced sale of stock by your corporation because of bankruptcy	10	0	0	0	0	2	1
Purchase of your corporation's stock by other-than-current share holders	1	2	5	3	2	0	0
Other (Specify) _____ _____	0	0	0	0	0	0	13

17. To what extent, if any at all, do you believe the sale of your corporation's stock will result in the following conditions? (Check one box for each potential condition.)

	To little or no extent	To some extent	To a moderate extent	To a great extent	To a very great extent	Not sure	No response
Loss of Native land control	0	2	2	1	7	0	1
<b>Exploitation of Native assets</b>	0	3	1	1	7	0	1
Curtailement of Native welfare activities	3	3	0	2	2	2	1
Loss of Native traditional activities	1	1	2	3	4	2	0
Increased resources for new business activities	4	3	3	1	0	2	0
Increased capital for on-going projects	4	1	5	1	0	2	0
Other (Specify)	0	0	0	0	0	0	13
_____							
_____							

**IMPACT OF OUTSIDE GROUPS**

18. To what extent, if at all, do you feel activities of non-shareholders of your corporation (non-Natives or Native shareholders of other corporations) are negatively affecting your corporation's management? (Check one.)

- To a very great extent
  - To a great extent
  - To a moderate extent
  - To some extent
  - To little or no extent
- } 1  
0  
(Continue to question 19)  
1  
6  
5

19. To what extent, if at all, are the activities of these non-shareholders negatively affecting your corporation? (Check one box for each of the following.)

	To little or no extent	To some extent	To a moderate extent	To a great extent	To a very great extent	Not sure	No response or not applicable
Establishing competing business	1	0	4	0	1	0	7
Initiating litigation over proposed business activities (for example, land development)	0	3	1	2	0	0	7
Establishing business ties with your corporation (for example, supplies or marketing)	2	1	3	0	0	0	7
Overextending debt to your corporation	5	0	0	1	1	0	6
Overextending debt to your shareholders	4	1	0	0	1	0	7
Providing for or promising money or other assets to your shareholders	4	1	1	0	0	0	7
Providing for or promising employment to your shareholders	2	3	0	0	1	0	7
<b>Exercising control over stock by trust officers of financial institutions</b>	4	0	1	0	0	1	7
Other (Specify) <u>Initiating litigation nominally in the</u> <u>name of shareholders.</u>	0	0	0	1	0	0	12



VILLAGE NATIVE CORPORATIONS<sup>1</sup>

RESPONSES TO OUR QUESTIONNAIRE<sup>a</sup>

ECONOMIC VIABILITY

1. To what extent, if at all, have your corporation's economic development objectives been adversely affected by the speed of land conveyances? (Check one.)

- To a very great extent 19
- To a great extent 26
- To a moderate extent 19
- To some extent 21
- To little or no extent 30
- Corporation does not have economic development objectives 13
- No response 1

2. Have annual financial statements for fiscal years 1982, 1981, and 1980 been prepared for your corporation? (Check one for each fiscal year.)

Fiscal Years	Yes	No	In process	No response
1982	71 <input type="checkbox"/>	9 <input type="checkbox"/>	46 <input type="checkbox"/>	3
1981	112 <input type="checkbox"/>	10 <input type="checkbox"/>		7
1980	116 <input type="checkbox"/>	5 <input type="checkbox"/>		8

3. Have your corporation's financial accounts for your fiscal years 1982, 1981, and 1980 been audited by an independent auditor (for example, a certified public accountant)? (Check one box for each fiscal year.)

Fiscal Years	Yes	No	No response
1982	102 <input type="checkbox"/>	22 <input type="checkbox"/>	5
1981	108 <input type="checkbox"/>	14 <input type="checkbox"/>	7
1980	111 <input type="checkbox"/>	12 <input type="checkbox"/>	6

<sup>a</sup>We sent questionnaires to 174 Alaska Native village corporations and received 129 responses. This appendix contains the questions we added at the request of Senator Stevens. The other questions will be included in a subsequent report on the Department of the Interior's land conveyance program. For this report, the questions have been renumbered and reorganized. Some of the responding corporations did not answer all questions.

APPENDIX VII

APPENDIX VII

4. Approximately what were your corporation's total assets, excluding BLM land conveyed, for your 1982, 1981, and 1980 fiscal years? (Check one box in each column.)

	Fiscal Years		
	1982	1981	1980
Less than \$100,000	11	13	16
\$100,000 to \$499,999	22	25	29
\$500,000 to \$999,999	15	18	19
\$1,000,000 to \$4,999,999	42	37	35
\$5,000,000 to \$9,999,999	8	9	7
\$10,000,000 or more	14	11	8
No response	17	16	15

6. Approximately what were your corporation's gross operating revenues for your 1982, 1981, and 1980 fiscal years? (Check one box in each column.)

	Fiscal Years		
	1982	1981	1980
Less than \$100,000	55	67	76
\$100,000 to \$499,999	31	25	23
\$500,000 to \$999,999	8	10	9
\$1,000,000 to \$4,999,999	19	14	8
\$5,000,000 to \$9,999,999	3	1	3
\$10,000,000 or more	1	1	0
No response	12	11	10

5. Approximately what were your corporation's total outstanding liabilities (short- and long-term) at the end of your 1982, 1981, and 1980 fiscal years? (Check one box in each column.)

	Fiscal Years		
	1982	1981	1980
Less than \$100,000	64	67	75
\$100,000 to \$499,999	19	20	18
\$500,000 to \$999,999	9	10	8
\$1,000,000 to \$4,999,999	14	14	13
\$5,000,000 to \$9,999,999	4	2	0
\$10,000,000 or more	2	2	1
No response	17	14	14

7. Did your corporation pay dividends to shareholders in fiscal years 1982, 1981, and 1980? (Check one box for each year. Check "yes" if your FY82 is not yet ended but you plan to declare a dividend.)

Fiscal Years	Yes	No	No response
1982	23 <input type="checkbox"/>	96 <input type="checkbox"/>	10
1981	30 <input type="checkbox"/>	92 <input type="checkbox"/>	7
1980	24 <input type="checkbox"/>	96 <input type="checkbox"/>	9

8. In your opinion, how likely is it that your corporation will have a profit or loss, before taxes, during each of the following time periods? (Check one box for each period.)

	Very likely a profit	Likely a profit	Neither a profit nor a loss	Likely a loss	Very likely a loss	Not sure	No response
1983 - 1985	35	47	14	9	4	10	10
1986 - 1991	40	37	11	3	1	25	12
Beyond 1991	41	27	10	2	0	38	11

9. Approximately what were your corporation's profits or losses before taxes for your 1982, 1981, and 1980 fiscal years? (Check one box for each year.)

	Fiscal Years					
	Profit			Loss		
	1982	1981	1980	1982	1981	1980
Less than \$100,000	32	36	37	21	23	32
\$100,000 to \$499,999	17	9	9	11	17	12
\$500,000 to \$999,999	3	5	0	3	3	5
\$1,000,000 to \$4,999,999	3	0	0	6	4	2
\$5,000,000 to \$9,999,999	0	0	0	0	0	0
\$10,000,00 or more	0	0	0	0	0	0

No response: 1982 - 33  
1981 - 32  
1980 - 32

**ADMINISTRATIVE APPEALS  
OR LITIGATION**

10. Has your corporation ever been involved in administrative appeals or litigation concerning the Settlement Act? (Check one.)

- Yes (Continue to question 11) 52
- No (Go to question 14) 70
- No response 7

11. What is the nature and/or purpose of these administrative appeals or litigation? (Check as many as apply.)

- Corporation eligibility 14
- Land being conveyed or available for conveyance to your corporation 30
- Waterways being determined navigable or non-navigable 15
- Easements being reserved 19
- Allotment eligibility 11
- Allotment relocations 7
- Land development activities by your corporation 6
- Merger activity by your corporation 4
- Surface water rights 5
- Other (Specify) Does not lend itself to summarization. 11

12. What has been the approximate cost of administrative appeals or litigation to your corporation? (Check one.)

- No direct cost 7
- Less than \$10,000 10
- \$10,000 to \$49,999 13
- \$50,000 to \$99,999 10
- \$100,000 to \$499,999 6
- \$500,000 to \$999,999 2
- \$1,000,000 to \$4,999,999 2
- \$5,000,000 or more 0
- No response or not applicable 79

13. To what extent, if at all, have administrative appeals or litigation had an adverse impact on the economic development of your corporation? (Check one.)

- To a very great extent 15
- To a great extent 8
- To a moderate extent 14
- To some extent 6
- To little or no extent 9
- Not applicable 77

14. Overall, what is the approximate amount your corporation has spent to date to receive land under the Settlement Act, such as costs to organize as a corporation to receive land? (Check one.)

- Less than \$10,000 43
- \$10,000 to \$49,999 24
- \$50,000 to \$99,999 18
- \$100,000 to \$499,999 23
- \$500,000 to \$999,999 7
- \$1,000,000 to \$4,999,999 2
- \$5,000,000 or more 1
- No response 11

SALE OF CORPORATIONS'  
STOCK IN 1991

15. The stock of Native corporations organized under the Settlement Act can be sold in 1991. If you feel there is no need to change this date, check "1991" below. If you feel this date should be changed, indicate your preferred date below. (Check one.)

- 1985 or sooner 1
- 1986 - 1990 1
- 1991 (as in present law) 20
- 1992 - 1996 7
- 1997 - 2001 13
- 2002 or later 21
- Stock sales should never be allowed 56
- No response 10

16. To what extent, if at all, do you anticipate any of the following types of transactions in your corporation's stock if the 1991 legislative deadline is not extended? (Check one box for each potential action.)

Transactions	To little or no extent	To a moderate extent	To some extent	To a great extent	To a very great extent	Not sure	No response
Sales of stock by your shareholders	29	18	29	17	13	17	6
Purchase of your shareholders stock by your corporation	14	19	31	21	15	23	6
Voluntary sale of additional shares of stock by your corporation	64	8	9	2	1	38	7
Forced sale of stock by your corporation because of bankruptcy	72	6	3	2	3	35	8
Purchase of your corporation's stock by other-than-current share holders	40	12	17	12	14	26	8
Other (Specify)							
<u>Does not lend itself to summarization.</u>	0	0	0	0	4	0	125
_____							

17. To what extent, if any at all, do you believe the sale of your corporation's stock will result in the following conditions? (Check one box for each potential condition.)

	To little or no extent	To some extent	To a moderate extent	To a great extent	To a very great extent	Not sure	No response
Loss of Native land control	15	16	10	16	55	9	8
Exploitation of Native assets	14	18	10	21	41	16	9
Curtailment of Native welfare activities	21	17	9	14	32	25	11
Loss of Native traditional activities	22	13	14	16	43	12	9
Increased resources for new business activities	32	26	18	9	15	19	10
Increased capital for on-going projects	40	13	20	8	8	27	13
Other (Specify)							
Corporate loss of stock and control of							
Board of Directors and assets.	0	0	0	0	2	0	127

**IMPACT OF OUTSIDE GROUPS**

18. To what extent, if at all, do you feel activities of non-shareholders of your corporation (non-Natives or Native shareholders of other corporations) are negatively affecting your corporation's management? (Check one)

- To a very great extent
  - To a great extent
  - To a moderate extent
  - To some extent
  - To little or no extent
  - No response
- 10  
9  
(Continue to question 19)  
14  
21  
69  
6

19. To what extent, if at all, are the activities of these non-shareholders negatively affecting your corporation? (Check one box for each of the following.)

	To little or no extent	To some extent	To a moderate extent	To a great extent	To a very great extent	Not sure	No response or not applicable
Establishing competing business	15	10	11	7	7	1	78
Initiating litigation over proposed business activities (for example, land development)	15	16	8	5	5	3	77
Establishing business ties with your corporation (for example, supplies or marketing)	21	13	7	2	6	3	77
Overextending debt to your corporation	29	9	5	4	2	2	78
Overextending debt to your shareholders	29	7	6	3	2	4	78
Providing for or promising money or other assets to your shareholders	27	10	3	2	2	8	77
Providing for or promising employment to your shareholders	25	14	1	1	6	5	77
<b>Exercising control over stock by trust officers of financial institutions</b>	27	6	2	2	3	11	78
Other (Specify)	0	0	0	0	0	0	129
_____							
_____							



## United States Department of the Interior

OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240

JUN 30 1983

J. Dexter Peach  
Director  
Resources, Community and Economic  
Development Division  
U.S. General Accounting Office  
Washington, D.C. 20548

Dear Mr. Peach:

Thank you for the opportunity to review and comment on the General Accounting Office draft report entitled "Information on Alaska Native Corporations" (GAO/RCED-83-173). Although the draft report contains no conclusions or recommendations, we offer the following comments for your consideration, as well as detailed comments in the enclosure to this letter which are intended to increase the accuracy of the report and letter to Senator Stevens.

Several of the questions make interpretation of the answers difficult. Answers to the first question concerning the effect of the speed of land conveyances could be misused. For example, for various reasons, a corporation may not seek a speedy conveyance. With delayed conveyance, more time would be available to the corporation to review available lands, the corporation would not incur a holding cost, nor be required to manage the land itself. Another question should be asked to learn about the actual circumstances surrounding the pace of conveyance.

As another example, it is difficult to interpret the answers to the two questions concerning the impacts of outside groups on the Alaskan Native Corporations. It is not clear who respondents included as "non-shareholders." It is also not clear what negative effects resulted.

[GAO COMMENT: Before the questionnaire was finalized, the questions were pretested, discussed with Senator Stevens' office, and agreed upon as the best questions that could be asked to provide the information requested by Senator Stevens.]

More importantly, the report's statistics are in terms of numbers of corporations. As such, we do not believe the report is as helpful as it might be. The corporations range in size from 25 to nearly 2,000 Native shareholders for the largest village corporations and from slightly over 1,000 to over 15,000 Native shareholders in the regional corporations. Thus, the rough figure as to the numbers of corporations in the various categories in the statistical tables is not meaningful given the vast differences in the numbers of shareholders the corporations represent. Accordingly, we recommend revising the tables to show the number of corporations in each category in parenthesis, and the primary figure in the tables to show the number of shareholders represented in each category. As they presently stand, most of the tables are of limited usefulness since they give no indication as to the number of Native shareholders affected.

Sincerely,



Richard R. Hite  
Principal Deputy Assistant Secretary  
Policy, Budget and Administration

Enclosure

[GAO COMMENT: While the report's statistics are primarily in terms of numbers of corporations, we included appendixes VI and VII to separately show the differences between how the regional and village corporations responded. We chose to present the information to Senator Stevens in this manner rather than further breaking out the information by size of corporation and number of shareholders affected because that is the way his office requested us to provide the information. Furthermore, we were constrained in how we could present the information because we gave the corporations a pledge of confidentiality. We pointed out in the questionnaire sent to them that we would hold their information confidential and present it only in summary form in our report. To further break out the information as suggested could breach our pledge of confidentiality to the corporations.]



U.S. Department of the Interior Response to GAO Draft  
Report, "Information on Alaska Native Corporations"

Letter to Senator Stevens.

Second paragraph, line 8. Change the words "tentatively conveyed" to "issued interim conveyance or patent for".

Appendix I, Purpose and Status of Settlement Act Activities, Page 1.

First paragraph, line 6. Add the word "approximately" between the words "to" and "44 million". Also in this sentence, the enrollment figures used by the Bureau of Indian Affairs for making the final payment distribution under the act showed 78,765 enrollees. Accordingly, the figure at the end of the paragraph should be about 78,000 Alaska Natives instead of, as presently indicated, about 77,000 Alaska Natives.

Second paragraph, second sentence. The Act statutorily withdrew most of the lands. The Secretary withdrew additional or deficiency lands for Native selection.

Second paragraph, line 12. Make same correction as the Senator Stevens letter.

Second paragraph, line 15. Delete "and significant geographical features? There is no such requirement.

Third paragraph, second sentence. Under the Act, there was no set schedule for land to be conveyed. Suggest that the phrase "the land and" be deleted.

Appendix I, Purpose and Status of Settlement Act Activities, Page 2.

Second paragraph, line 8. This is incorrect. The corporations may convey or transfer land any time after they receive title to the land. They cannot, however, sell their shares of stock for 20 years.

Appendix II, Objectives, Scope of Methodology, Page 5.

Fifth paragraph. The Office of the Solicitor has determined that the Inspector General's authority extends only to a corporations's use of federal funds. Our most recent audit experience with the corporations has been the review of land selection costs incurred by three of the corporations pursuant to P.L. 96-487, the Alaska National Interest Lands Conservation Act.

Appendix III, Economic Viability of Alaska Native Corporations and Adverse Impact of Administrative appeals or Litigation on Corporations' Economic Development, Page 6.

First Paragraph, third analysis. The statement concerning the remaining 62 corporations should be clarified. Suggest placing the appropriate figures before the statement rather than parenthetical, i.e., ". . . of the remaining 62, 40 were not sure, 12 did not respond and 10 said they would have neither a profit nor a loss."

Appendix III, Adverse Impact of Administrative Appeals or Litigation on Corporations' Economic Development, Page 10.

First full paragraph reflecting responses to Appendix V, Question 1. The information gathered could have been more valuable if the question had contained timeframes or some distinction had been made between past or current problems with the speed of conveyances.

Appendix IV, Negative Influences of Outside Groups, Page 13.

Last paragraph reflecting responses to Appendix V, Questions 18 and 19. The questions did not seem entirely clear in that the term "nonshareholders" could be interpreted as meaning anything from a nonshareholder officer or employee of the corporation to the world at large.

[GAO COMMENT: These comments were considered in finalizing the report and changes were made where appropriate.]



240 24

**AN EQUAL OPPORTUNITY EMPLOYER**

UNITED STATES  
GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

OFFICIAL BUSINESS  
PENALTY FOR PRIVATE USE \$300

POSTAGE AND FEES PAID  
U. S. GENERAL ACCOUNTING OFFICE



**THIRD CLASS**