

Karluk shareholders raise concerns

As both the shareholder informational meeting held in Kodiak and the Annual Meeting in Anchorage, former shareholders of the Karluk Native Corporation (the village corporation for Karluk which was merged into Koniag) raised questions about the lands conveyed by Koniag to the Karluk IRA Council as part of the merger, and the decision of the Karluk IRA Council not to convey them to the individual former shareholders. Because of the interest in this matter, Koniag felt it would be appropriate to print its following response to these shareholders' concerns.

In 1980, when the village corporation for Karluk merged with Koniag, it reserved the right to convey up to 1860 acres of its land to either the Karluk IRA Council or a new entity. The number of acres was arrived at by multiplying 10 acres by the number of original enrollees to the Corporation, although there was no requirement that the IRA or the new entity distribute the lands to the former shareholders. The Karluk Village Corporation never made the transfer or even identified the lands to be conveyed. Nevertheless, Koniag committed to go forward with the transfers. In the course of the litigation brought to challenge the other mergers, the court polled the former shareholders to determine whether they

preferred to see the IRA or a new entity receive the land. The former shareholders elected to have the IRA receive the land. In the mid 1980's, Koniag conveyed the land to the Karluk IRA.

Under the Merger Plan and the decisions made by the court, Koniag had no alternatives but to convey the land to the IRA Council. Once the land was conveyed to the Council, it is up to the Council to determine what should happen to it. While the Larsen Bay Council, when faced with the similar issue, decided to reconvey the land to individuals, it did so based upon its own determination, not on any requirement of the Merger Plan. Thus, while Koniag appreciates the desire of a number of the former shareholders to have the land distributed to them, the matter of what the IRA Council decides is best to do with land it owns is a tribal matter, between the Council and the members of the community. Koniag does not have any right to insert itself in that process.

It was pointed out at the meetings by the shareholders that only the actual residents of Karluk are allowed to vote in the elections for the Council. Thus, a large number of former shareholders, enrolled under ANCSA to Karluk, who are not

living in Karluk, are not permitted by the

IRA Constitution to vote in those elections. The IRA Constitutions in many communities were adopted before ANCSA and thus limited membership in the community only to the residents. After ANCSA, there has been no change in these constitutions to reflect non-resident Native members of the community. Because this deals with the community's constitution, it is a matter which can only be addressed at the local level by the residents of Karluk in deciding who should be members of their community. Koniag has identified this problem to the Secretary of the Interior as being one of the major issues that has to be addressed in the Department's deliberations on the requests for sovereignty. In determining the rights of the councils, the Department of the Interior has to also address the issues of who should vote in the elections of the council. Where the council is addressing property issues of Native persons enrolled to the community under ANCSA, it is only fair that those persons have the right to participate in the selection of the council.

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recommendations for the position of director is just as important as making sound investment decisions. We are all familiar with other corporations in which the Board hasn't provided that leadership. We have watched these corporations have wide swings in their operations and success depending upon who became directors. Sometimes we forget, but the directors are shareholders also. They are just as concerned as you are that the corporation does well and has sound direction from the Board.

Each year the Board solicits the names and qualifications of interested people. A notice is run in the newsletter requesting interested people to contact the Board. If you are interested, please contact the Board or if you need more information, please feel free to call me at our 800 number.

I also want to note that we were chastised at the Annual Meeting for not letting people know all of the activities in which Koniag and I participate that are not solely economic. Koniag has been down so long and we all came so close to

losing it that I did not want anything to distract us from our goal of economic viability and a healthy corporation. But obviously we are all also concerned about the issues facing the Native people. For that reason, we created the Koniag Educational Foundation to fund scholarships and to provide encouragement to the Natives of the Region, young and old alike, to secure more education.

For the past several years, I have served on the joint Federal/State Alaska Native Commission as one of the President's appointees. At my insistence, my committee has held hearings in the jails to try to get the the community to come to grips with the problem of why there are a disproportionate number of Alaska Natives in the penal institutions and how to address their concerns. As the result of these hearings, a new Native justice center is presently being created to meet these needs.

My committee has also focused on more positive ways in which the existing rights of self-governance can be exercised. In

keeping with this, Kelly Simeonoff, as President of KANA, and I have called upon representatives of the Kodiak Native municipalities, tribal governments and ANCSA corporations to meet regularly as a region-wide body to coordinate and focus our efforts on how we can improve the quality of the life of the Native people of Kodiak, using the resources we jointly control and direct. It is my belief that our organizations control an incredible amount of resources with which, if we only direct them properly, we can make a tremendous impact without having to be dependent upon new state or federal programs. Our first meeting was attended by all but one community. I was very pleased with the spirit of cooperation and the commitment with which the leaders of our region are moving forward to meet the challenge.

But this is all possible only if we are successful in having a strong and viable regional corporation. This is the goal to which I, your Board of Directors and the staff of your corporation are committed.