

Summit Edition

A special edition newsletter from Sealaska Corporation

Native Leaders Convene to Address Economic Emergency Crisis



Sealaska Board members, Rosita Worl and Byron Mallot, moderate an open discussion at the Summit



Summit moderator, Byron Mallott, listens to Fran Ulmer and Matthew Kookesh, Jr. discuss the future of fisheries in Southeast Alaska.

Native leaders from Southeast Alaska and beyond, met at Centennial Hall in Juneau, Alaska on November 14 and 15 to confront the energy and economic crisis of our rural communities. Over the course of two days, leaders from local villages, regional corporations, private businesses and government groups met to identify solutions to the problems facing the people of our communities.

Sealaska Corporation, along with the Central Council of the Tlingit & Haida Indian Tribes of Alaska, Tlingit & Haida Regional Housing Authority and the Alaska Municipal League hosted the Native Summit.

Southeast Alaska Native Summit presentations, resolutions and other information can be found on the Web site at www.nativesummit.com.

A New Vision for Our Forests and Our Future

This article was submitted by Chris McNeil as an op-ed to regional newspapers in Southeast Alaska.

Forest resources are vital to the future of Alaska and all its people. In Southeast Alaska, after fishing, forests provide the most private jobs. And income from Sealaska's timber harvest is the leading source of revenue shared among over 80,000 Alaska Native tribal shareholders, through the 12 regional corporations and over 200 village corporations. I invite all Alaskans to consider a new vision: a vision that creates more jobs, stability, and value from the forests of Southeast Alaska.

This vision centers on two primary ideas:

- fulfilling all land entitlements promised by the federal government to Sealaska, and;
- unifying management of all harvestable timberlands in Southeast Alaska under a Native Stewardship Trust, to be operated for the benefit of all citizens.

It is critical we have this discussion right now.

(Continued on Page 3)



Sealaska CEO, Chris McNeil, gives a presentation on timber projections and initiatives in Southeast Alaska

Letter from the CEO



Chris E. McNeil, Jr.
President and CEO

Dear Shareholders,

Historically, our rural communities have faced many challenges and have persevered. But our region is now facing an unprecedented challenge as high unemployment rates, population decline and loss of basic government services are combined with skyrocketing energy costs. This newsletter is a special edition focused solely on the Summit. The goal of the meeting was to confront the crisis openly to move towards sustainable solutions.

During the Summit and in an op-ed afterwards, I presented a “New Vision for Our Forests and Our Future” as part of the solution for the Southeast timber industry. Because this represents a paradigm shift for Sealaska, we have included the full text of the op-ed here.

In addition, several resolutions adopted by Summit participants are included as part of the effort to promote economic recovery. This economic and energy crisis not only affects our shareholders and descendants in these rural areas, but all Alaskans – Native and non-Native alike. The Summit was a good step in the right direction, but the work is only beginning. You can

learn more about the Summit at the Web site, www.nativesummit.com. I invite you to get involved.

Sincerely,
Chris E. McNeil Jr.
President and CEO

Leaders Support Key Resolutions



Summit presenter and Sealaska Board member, Jacqueline Johnson, listens and takes notes during a presentation

During the Southeast Alaska Native Summit, participants adopted several important resolutions. These included the following:

- A petition to Governor Murkowski to declare an energy disaster in rural communities with emergency financial assistance
- Request for support from Congress to maintain Native Americans in the 8(a) program

- Request to authorize the Landless communities to receive land selection rights and be eligible to form Native Corporations
- Support for a guarantee of benefits to Alaska Native communities by having the State of Alaska and Alaska gas producers adopt the Alaska Federation of Natives (AFN) “Alaska Gasline Principles.”

- Support the immediate conveyances to Native corporations to complete their current land entitlements and exchanges
- Support for Congressional action to permit exploration, development and production of oil and gas in ANWR, with a request for some form of revenue sharing among regional corporations
- Support for the rights of Native Americans and Alaska Natives to have, hold, carry and use eagle feathers
- Ensure the economic and financial success of the Community Quota Entity (CQE) program by working towards improvements in the program
- Support for the formation of a Southeast Alaska Native Economic and Energy Crisis Coalition

All resolutions can be found on the Summit website at www.nativesummit.com.

A New Vision for Our Forests and Our Future

(continued from Page 1)

Recently, I announced sobering news that, because our forest inventory is smaller than previously understood and the federal government has been slow to complete its promises of land, Sealaska must reduce its timber harvests.

While the news coverage has understandably focused on reduced jobs and expenditures, (some \$22.5 million annually) the important question before us is, "What do we do now?" I see three critical steps: First, the federal government must quickly complete the land transfers to Native corporations it promised 30 years ago under the Alaska Native Claims Settlement Act. We kept our part of the bargain; the federal government has not. Sealaska is still awaiting transfer of 64,000 acres of land it is entitled to under ANCSA – land that could help restore lost timber revenue and jobs.

Second, the federal government should complete the long-contemplated land exchange with Sealaska. Sealaska owns some very special lands that frankly would fit better in public ownership. Exchanging those lands for property better suited to timber harvest is not only the right thing to do, it would ease our current crisis. And finally, all Alaskans – indeed all Americans – would benefit from more effective management of our existing public timber resources. In Alaska, this is our elephant in the room, the thing everyone knows and no one discusses.

The Forest Service is hamstrung at every turn by activist lawsuits. The Tongass harvest is only about 20 percent of what's authorized in the Tongass Land Management Plan. Why do Alaskans continue to accept that?

I propose that management of the harvestable portion of the Tongass be returned to its original stewards – Alaska Natives – through a Native Stewardship Trust led by Sealaska. Under unified management, timber could be produced more efficiently, with consistency

and high standards, generating more jobs and income for all Alaskans.

Of course, public access now available on federal lands would continue on the lands shifted to Sealaska's stewardship. And, as part of our program to position Sealaska as a provider of highly valued "green" products, we would pursue independent certification of our forest lands to confirm the good work we do on the ground. This would also help the mills these lands support.

While our ancestors were the original stewards of these forests, Sealaska has also demonstrated the ability and commitment to properly steward our forests. We're proud, for example, that peer-reviewed scientific studies confirm our practices protect fish, streams and other natural resources.

Over the last 50 years, the federal government has increasingly assumed management of our timber resources, while creating social programs to provide for Alaska Natives. And over time, Natives and non-Natives have come to view natural resources as something to be divided, rather than shared. We need a different vision – a win-win concept.

It is time Alaskans consider the benefits of acting together, and time for Alaska Natives to once again assume responsibility for our own future. The first step in that journey can be the Native Stewardship Trust.

In creating value from the vast forest resources of Southeast Alaska, Native people have something special to offer, not just to Alaskans, but to the world. We understand that the forest is an ancient yet renewable gift that, treated with respect and carefully managed, will provide a better future for all Alaskans.

That is my vision. I invite you to become part of the discussion.

Facts Behind the Energy and Economic Crisis

To help explain the ongoing crisis in our Native villages, below are some statistics from the Alaska Municipal League:

- The cost of heating fuel and gasoline in rural Alaska is far higher than anywhere else in the United States, ranging from \$4 to \$6 a gallon in some areas.
- Every \$1 increase in the price of a barrel of oil generates \$65 million per year in revenue to the state.
- However, every \$1 increase also generates at least \$20 million per year in new costs to communities, businesses, and families based on annual usage of approximately 20 million barrels of oil by Alaskans.
- Due to the high cost of transportation, the increasing fuel prices impact every purchase of goods or services in rural communities.
- As of June 2005, thirteen rural cities had dissolved or closed down, due in large part to the end of revenue sharing and to soaring costs of oil and mounting debt.
- Eighteen more rural communities are on the verge of financial insolvency.
- As of July 2005, the Internal Revenue Service held liens against 31 municipalities and tribal entities totaling nearly \$2.3 million. Statewide at least \$20 million in projects in the past five years have been stymied by outstanding liens.
- Thirty-nine of Alaska's smaller cities have made significant reductions to core services, terminating key public services such as police or road maintenance.

Heard at the Summit

The following are some of the notable quotes from the Southeast Alaska Native Summit.

“It’s not all doom and gloom. I just think we are out of balance, which as Natives is not something we are used to.” – **Peter Naoroz, Kootznoowoo Inc.** about the need to work together as Natives

“We recognized that this problem was coming. Well, it’s here and we need to deal with it.” – **Blake Kazama, Tlingit and Haida Regional Housing Authority,** about the energy and economic crisis

“Native Alaskans need to create solutions that we own, and that we control.” – **Jacqueline Johnson, National Congress of American Indians,** stating Natives can no longer just turn to the government for help

“The key to resolving our problems lies here in this room.” – **Dr. Rosita Worl, Sealaska Heritage Institute,** about finding solutions to the economic crisis

“We can never succeed without taking risk.” – **Robert Wysocki, Huna Totem Corporation,** about the need to try new things to diversify the economy

“It was a conscious strategic decision to stop cursing the darkness, and to light the way to our own future.” – **Bruce Borup, Cape Fox Corporation,** about the need to face the future with new ideas that create new opportunities

“Everyone eats bread. Why do we ship it all in when someone in your community probably wants to bake bread?” – **Kevin Ritchie, Alaska Municipal League,** on the need to build and support local economic engines

“These economic crises have not been brought about just by the high cost of fuel, but by political winds outside our control.” – **Robin Taylor, Alaska Department of Transportation** about the need for regional solutions

“Marrying the concept of cooperation with competition is the challenge of the hour.” – **Fran Ulmer, Institute of Social and Economic Research,** about the need to work together as a regional Native community



Albert Kookesh, Sealaska Board chair, welcomes attendees to the Summit



Brad Fleutsch, Alaska Native Brotherhood Grand Camp President, poses a question to a panel of Summit presenters

December 2005

To find out more about the Southeast Alaska Native Summit, visit the Web site at www.nativesummit.com.

On the Web site you will find:

- Additional resources
- Speaker presentations
- Final resolutions
- Program information
- Presenter bios
- Background information and fact sheets



Myrna Torgramsen from the Wrangell Cooperative Association speaks to the Summit about the specific issues facing Wrangell, Alaska

www.sealaska.com

Presorted
First Class Mail
US Postage
PAID
Juneau, AK
Permit No. 98