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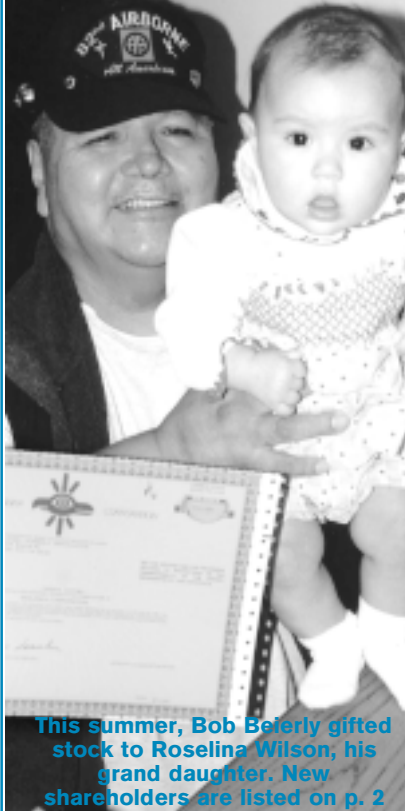
Sept.-Oct. 2001

S E  L A S K A

Sealaska Corporation
One Sealaska Plaza, Suite 400
Juneau, AK 99801-1276

Shareholder

Gift stock to your children & grandchildren



This summer, Bob Beterly gifted stock to Roselina Wilson, his grand daughter. New shareholders are listed on p. 2

Report details economic impacts of Sealaska on rural SE communities

A study to measure the economic impacts of Sealaska Corporation's timber harvesting activities on Southeast communities concludes that Sealaska makes a significant and positive economic contribution to our region. The analysis focuses on the employment and personal income effects of Sealaska operations in Southeast communities.

Region-wide, Sealaska Corporation, Sealaska Timber Corporation (STC) and its contractors had direct employment of approximately 870 full- and part-time workers in 2000, with a payroll of \$29 million.

"Sealaska Corporation and its contractors combined make the corporation the largest private sector



employer in Southeast Alaska," said Jim Calvin, McDowell Group partner. "It is extraordinary, the effect of Sealaska and STC's operations on

Please turn to Economic, back pg.

Highlights

- ✓ Sealaska & contractors combined are the largest private sector employer in Southeast Alaska.
- ✓ Sealaska spent \$61 million in Southeast -- corporate & timber related operations, including payroll
- ✓ In Hoonah: 130 Sealaska-related jobs, \$3.4 million annual payroll
- ✓ In Kake: 145 Sealaska-related jobs, \$4 million annual payroll
- ✓ In Klawock: 120 full & part-time jobs, \$2.3 million annual payroll
- ✓ In Hydaburg: 61 ship loading workers earned \$1.2 million

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Over 100 attend Sealaska Kusteeyi Institute

Sealaska's 3rd annual Kusteeyi Institute (SKI) was SHF's largest and most successful language and art studies program to date, according to SHF President Dr. Rosita Worl. "Native language restoration is central to the mission of Sealaska Heritage Foundation," she said.

SHF Sociolinguist Roy Iutzi-Mitchell said that this year a new approach was used alongside the more familiar methods of language teaching. Three language immersion classes in Tlingit and Haida languages were offered.

"Immersion education allows Native languages to be taught in a much more natural way than trying to memorize words and phrases out of context," Iutzi-Mitchell said. "In-



Dr. Rosita Worl speaks to group of students pursuing a teaching degree under the Preparing Indigenous Teachers for Alaska (PITA) program.

stead, the teachers speak with the students 100% in the Native language, using their special training to insure that students are always understanding their meaning."

"Immersion education by design integrates cultural knowledge with

language instruction," he said.

Besides the 100 SKI students, SHF also hosted a program with the University of Alaska Southeast for 40 students pursuing a teaching degree under the PITA program.

For more information visit: www.shfonline.org.

How other ANCSA regional corporations enrolled Shareholder descendants

Since the "1991 Amendments" to ANCSA allowed Native Corporations to enroll descendants, three ANCSA Regional Corporations shareholders voted and issued stock to their descendants. Each corporation used a different model: Arctic Slope Regional Corporation, Doyon, Ltd., & NANA Regional Corporation.

Arctic Slope Regional Corporation

Arctic Slope was the first ANCSA corporation to issue stock to shareholder descendants. ASRC shareholders voted to give all shareholder descendants who were at least 1/4 degree Native blood, 100 shares of Life Estate stock. There was no cut-off date for the enrollment. In 1994, ASRC shareholders approved a proposal to enroll shareholder descendants who are less than 1/4 Native blood.

NANA Regional Corporation

In March 1991, NANA shareholders voted in favor of issuing 100 shares of Life Estate stock to Natives born after December 18, 1971, who are direct lineal descendants of original NANA shareholders. There is no cutoff date for the enrollment, and shares issued to descendants are non-voting until the individual reaches at 18. Eligibility is limited to



those individuals who have not enrolled in a similar program in another Regional Corporation.

There are also special provisions for descendants of shareholders who were originally enrolled to village corporations that had merged with NANA Regional Corporation.

Doyon, Ltd.

In 1992, Doyon shareholders voted in favor of issuing Life Estate Stock to shareholder descendants who are at least 1/4 degree Alaska Native blood, and whose parents are or were original Doyon shareholders. The new enrollment was limited to a specific period: those born between December 18, 1971 and December 31, 1992.

Like NANA's program, eligibility is limited to those individuals who have not enrolled in a similar program in another Regional Corporation.

Doyon issued stock in two time frames. Thirty shares were immediately issued to all eligible shareholder descendants. An additional 70 shares is issued to the individual when he/she reaches age 18. The shares are non-voting until the individual reaches age 18.

"Sealaska is interested in what other ANCSA corporations have done to enroll their descendants," Albert Kookesh, Sealaska chairman of the board said. "I would like to hear from our shareholders what they think of these approaches."

Send your comments to:

Sealaska Shareholder
Committee
One Sealaska Plaza, Suite 400
Juneau, AK 99801
or Email:
descendants@sealaska.com

New this month on our web site

- Sealaska opposes Tongass Roadless plan
- Economic Study of Sealaska contributions to SE Alaska economy
- Non-ANCSA properties for sale

visit www.sealaska.com

Brenda L. Fausett, Kake
Alex Robinson Dunlap, Juneau
Sadi Dupius, Seattle, WA
Brandy R. Brazell, Sitka
Jenny M. McCallon, Grand Junction, CO
Deandra Jamestown, Anchorage
Mickey L. Calhoun Jr, Hydaburg
Rhys Fryar, Sault Ste. Marie, MI

For more information and forms for gifting stock, please contact Sealaska Shareholder Records, (907) 586-1512 or toll free (800) 848-5921. Or download forms from www.sealaska.com

In Memory

Sealaska pays tribute to shareholders who have recently passed on:

Henry Max Brouillette, Jr., 60
Thomas W. Cluff, 70
Juanita Marie Corwin, 65
Betty A. Crippen, age
Denise Joy Dovell, 45
Carl Dundas, 48
Arnold Paul Ellis, 71
Valentine Gartley, 86
Francis Gordon Guthrie, Sr., 69
Rose Johnson Haube, 85
Emma Eleanor Howard, 62
William F. Jackson Jr., 48
Helen Mae Keene, 92
Amy Marvin, 89
Amelia L. McClure, 66
Winifred Doris Monta, 73
Daisy Myrick, 84
Howard Atley Nelson, 61
Benson A. Paul, 71
Steve Perry, 35
Anna D. Peterson, 98
Wallace J. Poy, 77
Edward J. Reece, 74
Virginia E Sam, 48
Aloysius Edward Smith, Sr., 92
Richard L. Stokes, Jr., 49
Agnes Strong, 84
Mildred Sylvester, 69
Donald William Tompkins, 71
Robert Carl Viereck, 71
Cecelia White, 69
Robert Willard, Jr., 64

If you know of shareholders who have recently passed on, please let us know.

Welcome New Shareholders

Sealaska Corporation welcomes these new shareholders to the Sealaska Family:

Sterling M. Zuboff, Auke Bay, AK
Johnny F. Wilson, Juneau
Teesha J. Wilson, Juneau
Romeo I. Brouillette, Juneau
Roselina Wilson, Juneau
Duane K. Miller, Juneau
Donavan Miller, Juneau
Darrein Sharclane, Juneau
Myrna Sharclane, Juneau
Toni Sharclane, Juneau
Jason M. Bigelow, Juneau
Sarah N. Demmert, Juneau
Joel W. Charles, Juneau
Kara E. Mayer, Mt. Lake Terr., WA
Jame J. Vanscott, Reno, NV
Nathan Peele, Shoreline, WA
Kimberly R. Edwards, Anchorage

Sandra Chapman, Ketchikan
Kevin Santana, Klawock
Wesley Minch II, Klawock
Melvin Minch, Klawock
Shania Minch, Klawock
Andy L. Boland, Tukwila, WA
Christina M. Boland, Seattle, WA
Patrick D. Boland, Seattle, WA
Edith Ruby Johnson, Kaysville, UT
Steve P. Johnson, Sitka
Erin McMeel, Olympia, WA
Patrick McMeel, Olympia, WA
Kathleen Mcmeel, Olympia, WA
Thomas W Grant, Ketchikan
Jonathan A. Llanos, Ketchikan
Jessica Llanos, Ketchikan
Kelli A Murphy White, Ketchikan
Natasha Prather Butler, Ketchikan
Thomas G. Llanos, Anchorage
Laurie A. Schumacher, College Place, WA
Hilary V. Martin, Juneau
Danielle J. Martin, Juneau
Brandi L. Leeson, Seattle, WA
Mary A Cook, Hoonah

SEALASKA Shareholder

The Sealaska Shareholder is published for shareholders by Sealaska Corporation & sent free of charge to them. Information on subscriptions for non-shareholders is available by writing the Office of Corporate Communications at the address below.

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Copy deadline for next issue:
Oct. 19, 2001

CEO's Business Update



Chris E. McNeil, Jr.
President & CEO

Since the beginning of 2001, I have been intensely involved with our other top executives in the sale or disposition of TriQuest, our plastics company. At this writing, we are very near the end of this process.

The plastics industry and our major customers in the electronics industry have tumbled with the world economy, and a great deal of consolidation has taken place among plastics producers. Finding the best solution for our plastics business has been challenging, but we have taken on the task and worked diligently to find the best outcome for Sealaska, and for our plastics customers.

As soon as we reach a final solution, we will inform shareholders of the full impact on Sealaska.

New investments

Our investment with the San Pasqual Band of Indians in their Indian gaming facility in Southern California has been steadily improving, after some expected startup problems with marketing and operating cost controls.

We are investors in this gaming operation, and we do not manage the business. Those decisions are made by the San Pasqual Band, and we have been working with them and providing them our best thinking, to help their business succeed. Recent marketing studies show that Southern California continues to be an excellent and growing market for Indian gaming operations. Indian gaming continues to grow even in this uncertain economy.

Our investment in the telecommunications industry has undergone some very dramatic changes in the past month. A federal appeals Court in Washington, DC ruled in favor of NextWave, a firm that had won wireless telephone licenses in a Federal Communications Commission auction in 1998.

In 1999, NextWave declared bankruptcy after it was unable to pay for the licenses. The FCC took

back the licenses, and offered them in Auction 35 in January 2001. Alaska Native Wireless successfully bid on some of these same licenses.

The bankruptcy court ruling said that under US bankruptcy laws, the FCC could not take the licenses from NextWave. That threw the entire Auction 35 process into question.

At this writing, all parties including the FCC and telecommunications industry leaders are working toward a settlement that would ultimately settle with NextWave and validate Auction 35. This would enable the telecomm industry to build out the spectrum and offer expanded wireless services to the public.

"We are very near the end of the process of sale or disposition of TriQuest."

Chris E. McNeil, Jr., Pres. & CEO

Regardless of the outcome of the NextWave litigation, Sealaska's investment in Alaska Native Wireless is secure because of the

manner in which we structured our deal.

World events

Alaska, the nation, and the world are in shock after the terrorist attacks on New York, Washington, DC, and in Pennsylvania. As far as we know, no members of the Sealaska immediate family were harmed by the terrorists. However, the Sealaska extended family including our friends and business associates has a long reach. We know that we are only one step away from those who suffered and died on Sept. 11, 2001, and we come together with the rest of our Nation as one family in this personally challenging time.

2001 has been the most challenging year for Sealaska Corporation in our 29 year history. It has been a time to revisit and re-examine every single thing we do as a corporation. As we move through this period in our company's and our nation's history, we rely on the Native values that make us strong.

Times like this give each of us a crystal clear picture of what is truly important. For Sealaska as an organization, it is vitally important that we continue to work to provide economic and other benefits for our people, and to advocate for important Native issues on their behalf.

Sincerely,

Chris McNeil, Jr.

Business Briefs

Sealaska raises over \$16,000 to defend Alaska reapportionment plan

Sealaska Corporation has cooperated with the Alaskans For Fair Redistricting in helping provide financial support for the successful legal defense of the reapportionment plan for the Alaska Legislature. "The decennial redistricting mandate requires that all legislative districts have equal population counts," Sealaska President & CEO Chris McNeil said. "The final plan adopted by the Reapportionment Board [and very recently approved by the US Dept. of Justice] accomplishes this while also ensuring that the rural and Native communities in Southeast Alaska are able to elect legislators that protect their interests." In addition to Sealaska's contribution of \$5,000, another \$11,385 was raised from Sealaska officers, friends and business associates, including major contributions from Cape Fox Corp., Huna Totem Corp., Council Tree Communications, Alaska Pacific Logging, Phoenix Logging, Southeast Stevedoring, Yak-Tat-Kwaan, Inc., Tyee Maritime, Shaub Ellison Tire, and many others.

Sealaska applauds Gov. Knowles decision not to appeal Katie John case

"Sealaska has always supported subsistence and Katie John's case. We applaud Gov. Knowles' decision, and think that was exactly the right thing to do for the State of Alaska," Sealaska President & CEO Chris E. McNeil, Jr. said.

"Katie John put a name and a face on subsistence, and took the issue back from the legislators and lawyers and put it in human terms. Subsistence is vitally important to Sealaska, all of our shareholders, and our descendants, and we have fought side by side with the Alaska Federation of Natives, the national humanitarian community, and others to protect it."

"This is a great day for Alaska Natives and subsistence, and we will continue our work to solve this for the benefit of all Alaska Natives and Alaskans."

Community invitations sought for Sealaska 2003 & 2004 annual meetings

The Sealaska Board of Directors has asked communities to extend invitations to Sealaska to host the 2003 and 2004 annual meetings. The board follows specific criteria when they select an annual meeting site, covering logistical items like availability of meeting and hotel facilities, as well as demographic information on the number of shareholders residing in a given area.

To request a copy of the policy, or to send invitations, write to: Albert M. Kookesh, Chairman of the Board, Sealaska Corporation, One Sealaska Plaza, Suite 400, Juneau, AK 99801. Please submit letters of invitation by October 31, 2001.



Wysocki earns MBA

Bob Wysocki, Corporate Finance Director for Sealaska Corporation, earned a Master's of Business Administration degree from the University of Washington in June 2001. Wysocki completed his degree through the Executive MBA Program, allowing him to continue his work for Sealaska.

He has a Bachelor of Science in production operations management from Central Washington University, and a Bachelors of Administration degree (specializing in accounting) from the University of Alaska Southeast. Recently, Wysocki was named acting Corporate Controller for Sealaska.

Tlingit & Haida gets \$1.3 million wellness grant

The Alaska Federation of Natives board awarded \$1.3 million to the Central Council of the Tlingit & Haida Indian Tribes of Alaska, as part of AFN's Alaska Native Sobriety & Alcohol Control project. The federal dollars from the Indian Health Service will support programs in Southeast communities as part of AFN's Alaska Native Sobriety & Alcohol Control program. Sealaska director Rosita Worl worked closely with T&H to advocate for this funding for Southeast communities.

SHF scholarship winners -- correction

Earlier this year, Sealaska sent out a flyer honoring the winners of the 2001 Sealaska Heritage Foundation scholarships. Unfortunately, the names of the winners of Heritage Study Grants were scrambled. Here are the winners: **Basketry weaving:** Robyn Buchanan, Charlotte Buchanan, Suzi Williams. **Chilkat weaving:** Shgen George, Dorothy Webster. **Clan hat/warriors clothing/armor:** Sheila DeLapp, Cole Florendo, Geoffrey Florendo, Frederick Gallant, Leslie Isaacs, Judith Ramos, Keith Thomas, Ricardo Worl. **Cottonwood canoe project:** Chilkat Indian Village. **NW Coast geometric weaving:** Tylene Brown, Joyce Makua. **SE Native language master/apprentice:** Yakutat Tlingit Tribe.

Economic study (continued from front page)

the overall health of the regions economy.”

In 2000, Sealaska spent \$61 million in Southeast in support of its corporate and timber-related operations. This spending, including payroll, was spread throughout Southeast, on logging and logging related services in Hoonah, Kake and Southwest Prince of Wales communities (Craig, Klawock and Hydaburg).

The study, conducted by the McDowell Group in Juneau, focused on small, rural communities with predominantly Native populations that are substantially dependent on Sealaska jobs and income from logging and/or ship loading, such as Hoonah, Kake, and Southwest Prince of Wales communities.

“These findings are an important tool for Sealaska in developing strategic plans for our timber harvesting activity,” said Chris McNeil, Jr., Sealaska President & CEO. “Our shareholders in these rural communities receive a direct benefit from our operations.”

On average, Sealaska activities account for about one-quarter of personal income in the communities studied. Including indirect employment and payroll, Sealaska-related employment totals approximately 1,200 workers and \$35 million in payroll in Southeast, based on McDowell Group estimates.

Hoonah, a community of 860 residents:

- 130 Sealaska-related jobs.
- Approximately \$3.4 million in annual payroll.

Kake, a community of 710 residents:

- 145 jobs from Sealaska-related logging activity.

“Our directors requested this study to fully understand the direct impacts we have in our region.”

Chairman Albert Kookesh

- Approximately \$4 million in annual income.

Klawock, a community of 700 residents:

- Almost 120 full- and part-time jobs from Sealaska logging-related activity.
- Total annual payroll is approximately \$2.3 million.

Hydaburg, a community of 380 residents:

- 61 workers earned income from Sealaska shipping-loading work.
- Total annual payroll is estimated at \$1.2 million.

“As the timber industry in Southeast Alaska continues to decline,

Sealaska and Sealaska Timber have remained strong,” said Albert Kookesh, Chairman of the Board for Sealaska. “Our directors requested this study to fully understand the direct impacts we have in our region.”

The McDowell report states that all rural Southeast economies have faced hardship with the changes in resource management, including the initiation of limited entry in the commercial salmon fisheries, the individual fisherman’s quota (IFQ) system, reduced Tongass National Forest logging and declining state government revenues.

“There is a perception that the timber industry is no longer a vital part of our communities, but the McDowell study proves that presumption wrong,” said McNeil. “The report clearly shows how important Sealaska’s operations and its contribution to the timber industry are to the region.”

“Going forward, Sealaska, the government and communities dependent on the timber industry need to work together to sustain this important component of the regional economy,” McNeil said.

Full text of this report available in PDF on the Sealaska Corporation website at www.sealaska.com. Hard copies of the report are available by contacting Sealaska Corporate Communications at (907) 586-9205, or email: webmaster@sealaska.com.

Sealaska comments on USFS roadless policy

Sealaska recently submitted comments to the US Forest Service (USFS) regarding its “roadless” policy, which will affect large portions of the Tongass and other National forests by limiting access for public and commercial purposes.

“Sealaska is working closely with Native communities and organizations to ensure that the development of the roadless policies involve Natives, and that their needs and interests are recognized and protected,” Sealaska President & CEO Chris E. McNeil, Jr. said.

McNeil said the first priority is to encourage the administration to return land and resource management policy decisions to local and regional authorities with reaffirmation of the USFS policy to actively involve Native entities in policy decisions.

Full text of these reports is available in PDF at www.sealaska.com.

SHF to host juried Native art show at Celebration 2002

Sealaska Heritage Foundation will host the first Sealaska Juried Art Show beginning on June 6, 2002. The event will showcase artistic works created by members of the Tlingit, Haida and Tsimshian Tribes of Alaska. It will be a featured event of Celebration 2002, scheduled June 6-8.

SHF is honored to have Robert Davidson as the head juror for the show. Davidson is a renowned Northwest Coast Native artist and a master in working in gold, silver, wood, argillite and paper. He is a descendant of the famous Haida artist Charles Edenshaw, and he has learned much of his traditional Native culture and history from his paternal grandmother, Florence Davidson.

The Sealaska Juried Art Show

was created to enhance and encourage the production of quality art by persons of SE Alaska Native heritage, and to help raise the standards of Native art in SE Alaska. More than \$10,000 in prizes will be awarded to several categories of art, including \$1,500 for Best of Show. Spectators will have the opportunity to preview and purchase award-winning pieces.

An official entry application, the rules and procedures for participating in the juried competition is available on the SHF website www.shf.online. For further information, please contact Don Bremner at 907-463-4411, or via email: don.bremner@sealaska.com. View Robert Davidson’s artwork at www.douglasreynoldsgallery.com/artists/davidson.htm.

Calendar

October

- 7 Totem raising, Petersburg, 1 pm, 907-772-4632**
- 14-18 Alaska Days Festival, Sitka**
- 18 Alaska Day Holiday**
- 22-24 Alaska Federation of Natives, Elder/Youth Conference, Anchorage, AK, 907-274-3611**
- 24 Alaska Native Professional Assn. Career Fair, Egan Convention Ctr., Anchorage, 907-762-1783**
- 25-27 Alaska Federation of Natives Convention, Egan Convention Center, Anchorage, 907-274-3611**
- 26 Deadline for proposals to Federal Subsistence Board regarding harvest of wildlife on Federal lands in Alaska, 800-478-1456**

November

- 4-10 Alaska Native Brotherhood/Alaska Native Sisterhood Convention, Kake, AK**
- 7-8 Pathways 2001 Conference (parents, professional who care for disabled children), Anchorage, 800-478-7678**
- 9 Veterans Day Holiday (Sealaska closed)**
- 18 8th Annual Sobriety Celebration, 1 pm, Ted Ferry Ctr., Ketchikan, 907-225-6674**
- 22-23 Thanksgiving Day Holidays (Sealaska closed)**
- 25-30 NCAI 58th Annual Session, Spokane, WA, (202) 466-7767**
- 27-28 Alaska 20/20 statewide conference charts Alaska’s 20 yr. future, Capt. Cook Hotel, Anchorage, 907-272-5341**
- Nov. 30-Dec 1 Alaska Native Education Summit, Anchorage Marriott, 800-228-9290**