



July 15, 2019

Sent Via Electronic Mail

Sen. Lora Reinbold
Alaska State Legislature
State Capitol, Rm. 427
Juneau, AK 99801
Senator.Lora.Reinbold@akleg.gov

Dear Senator Reinbold,

The Alaska Federation of Natives (AFN), ANCSA Regional Association (ARA), and Alaska Native Village Corporation Association (ANVCA) are statewide Native organizations with questions and concerns about your July 11 Facebook post.¹ While we have not had the pleasure of an introduction, we hope to make your acquaintance soon to clear up some of the factual errors contained in your post.

AFN is the oldest and largest statewide Native organization in Alaska. Our membership includes all 12 regional for-profit corporations, all 12 regional non-profit organizations, 172 village for-profit corporations, and 191 of Alaska's federally recognized tribes. Our mission, among other things, is to advance and enhance the political voice of the Alaska Native community on matters of critical importance. In total, AFN represents one in five Alaskans through our membership.

ARA represents the presidents and chief executive officers of the 12 Alaska Native Regional Corporations created pursuant to the Alaska Native Claims Settlement Act of 1971 (ANCSA). Our association exists to promote and foster the economic strength of the Native regional corporations on behalf of our collective 130,000 shareholders. Our mission is to create a sustainable socioeconomic future for Alaska Native peoples.

ANVCA represents 177 village and urban corporations established under the Alaska Native Claims Settlement Act of 1971. Our mission is to promote the success of Native village corporations, while protecting Native lands. Like AFN, ANVCA represents upwards of 150,000 Alaskan through our members.

As noted above, we have questions about your Facebook post.

¹ See attached screenshot from Senator Lora Reinbold's Facebook page.

- Specifically, which 'subsidies' do you believe the State of Alaska provides Alaska Native corporations (ANCs)²? To our knowledge there are none. If we are mistaken, please correct us. If you are mistaken, we kindly ask you to retract your misstatement.
- Similarly, on what basis do you believe ANCs 'agreed' to take care of Native peoples? While 'taking care of' Native peoples is not implicitly stated in ANCSA, Native corporations improve the life outcomes of Alaska Natives through affiliated and non-affiliated non-profits. ANCs do this because of a strong sense of pride in Native ownership and corporate responsibility. This does not, however, abdicate the State's Article VII constitutional responsibilities to provide for the public education, public health, and public welfare of Alaskans, including Alaska Natives.

We also have a number of concerns with your Facebook post.

- First, you state that ANCs were 'given' money and land 'basically for free.' This is both incorrect and inflammatory. Native corporations were created under ANCSA to compensate Alaska Natives for relinquishing aboriginal title to our lands, including hunting and fishing rights. In exchange, Native peoples received \$947 million from the U.S. Congress for lands retained.
- Likewise, you question how much taxes ANCs pay to the 'state coffers.' To be clear, Native corporations are taxed (*i.e.*, pay) at the State's regular corporate tax rates on earnings apportioned to Alaska. Furthermore, once developed, lands received to the ANCSA are subject to property tax by local taxing authorities.

Moreover, on average 85% or more of ANC net income is returned to their respective regions and villages in the form of shareholder dividends, scholarships, and donations to Native and non-Native affiliated non-profits – irrespective of whether they serve Native people or non-Native people. Most for-profit non-Native corporations do not follow this model.

Finally, ANCs earn a large portion of their revenues outside of Alaska, and return the net profits and benefits to Alaskans. In contrast, many for-profit businesses that operate in Alaska send their Alaska-based profits to their out-of-state headquarters.

- Lastly, you further point out that regional Native for-profit corporations 'get rights to resources below their land,' which the 'average citizen' does not get. This is correct. However, it is considerably more complicated than you suggest and call to question your own understanding of ANCs and their importance in the Alaskan

² As used in this letter, 'Alaska Native corporations,' or 'Native corporations,' or 'ANCs' refers to both for-profit regional and village corporations formed under ANCSA.

Sen. Reinbold
July 11 Facebook Post

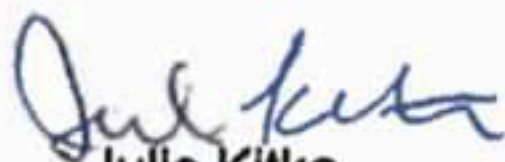
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economy. We would welcome the opportunity to meet with you on ANCSA's 7(i) and 7(j) revenue sharing provisions.

Senator Reinbold we respect you as elected public official. However, the position comes with a wide platform that requires the responsible dissemination of information. Your July 11 Facebook post failed to meet this standard. We urge you to study the other sides of the issues you raised, and to consider updating your Facebook post.

We welcome the opportunity to meet with you to discuss Alaska Native land claims and ANCs.

Sincerely,



Julie Kitka
President, AFN



Kim Reitmeier
Executive Director, ARA



Hallie Bisset
Executive Director, ANVCA

cc: Alaska State Senate
Alaska House of Representatives
AFN, ARA, ANVCA Boards of Directors