

# The Alaska Native Claims Settlement Act

P.L. 92-203 (85 Stat. 688)

The Alaska Native Claims Settlement Act (ANCSA) of 1971 “settled with certainty, in conformity with the real economic and social needs of Natives, without litigation, with maximum participation by Natives in decisions affecting their rights and property”<sup>i</sup> the aboriginal land claims of Alaska Natives that had not been addressed since Alaska became a territory of the United States in 1876. In exchange for title to approximately 44 million acres of land and \$1 billion for the lands conveyed to the Federal government and the State of Alaska, Alaska Natives agreed to extinguish their aboriginal land claims.<sup>ii</sup>

## Alaska Native Shareholders: Owners & Managers

In lieu of a reservation lands system that, at the time, was considered to be plagued with problems, ANCSA created 12 Regional Corporations incorporated “to conduct business for profit,”<sup>iii</sup> a thirteenth regional for profit corporation “for Natives who are non-residents of Alaska,”<sup>iv</sup> and over 200 Village Corporations that could opt to be non-profit or for-profit corporations.<sup>v</sup> The initial shareholders of Alaska Native Corporations were Alaska Natives born on or before 1971 and who had at least one full blooded Alaska Native grandparent.<sup>vi</sup> Today, each Alaska Native Corporation has its own requirements for qualification as a shareholder. However, no Alaska Native Corporation can issue stock to a non-Alaska Native person or a person who is not descended from the region or village the corporation represents. Likewise, no Alaska Native shareholder can buy, sell, or trade stock in his/her respective corporation to any other Alaska Native or non-Alaska Native person.<sup>vii</sup>

Alaska Native shareholders elect their corporation’s board of directors who are also shareholders of that Village or Regional Corporation.<sup>viii</sup> These Alaska Native board members represent the interests of the shareholders in determining the best course of action to fulfill their corporation’s mission to successfully conduct business for profit, manage lands, and provide shareholder benefits.

## Unique Responsibilities: Economic & Cultural Self-Determination

ANCSA placed a unique set of responsibilities on Alaska Native Corporations ensuring that corporations represent the interests of their Alaska Native shareholders in both economic and cultural self-determination. These requirements include:

**Lands management:** The 12 land-based regional corporations own surface and subsurface rights to lands within their traditional cultural region.<sup>ix</sup> Village Corporations own the surface rights to the lands they claimed near the village and their corresponding regional corporation owns the subsurface rights to those same lands. This system ensures “that the right to explore, develop, or remove minerals from the subsurface estate in the lands within the boundaries of any Native village shall be subject to the consent of the Village Corporation.”<sup>x</sup>

Section 7(i) of ANCSA recognizes that not all the lands owned by the Alaska Native Regional have significant natural resources and requires Alaska Native Regional Corporations to share 70 percent of their natural resource revenues with all other Alaska Native Regional Corporations.<sup>xi</sup>

**Shareholder Benefits:** Created with the intent to “address the real economic and social needs of Native”<sup>xii</sup> and “to conduct business for profit”<sup>xiii</sup> Alaska Native Corporations, both regional and the village corporations that chose to be for-profit, are building strong sustainable business foundations that can provide a stable stream of revenue to provide benefits to shareholders and continue to manage their lands. These benefits can be shared in the form of cash dividends, educational programs, cultural programs, trust funds, and shareholder hire preference programs.<sup>xiv</sup>

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<sup>i</sup> 43 U.S.C. § 1601(ANCSA § 2) (a)

<sup>ii</sup> 43 U.S.C. § 1601(ANCSA § 4)

<sup>iii</sup> 43 U.S.C. § 1606(ANCSA §7)

<sup>iv</sup> 43 U.S.C. § 1606(ANCSA §7) (c)

<sup>v</sup> 43 U.S.C. § 1606(ANCSA §7)-1607(ANCSA §8)

<sup>vi</sup> 43 U.S.C. § 1604(ANCSA §5)

<sup>vii</sup> 43 U.S.C. § 1606(ANCSA §7)-1607(ANCSA §8)

<sup>viii</sup> 43 U.S.C. § 1606(ANCSA §7)(f)

<sup>ix</sup> 43 U.S.C. § 1613 (ANCSA §14)(e)

<sup>x</sup> 43 U.S.C. § 1613 (ANCSA §14)(f)

<sup>xi</sup> 43 U.S.C. § 1606(ANCSA §7)(i)

<sup>xii</sup> 43 U.S.C. § 1601(ANCSA § 2) (a)

<sup>xiii</sup> 43 U.S.C. § 1606(ANCSA §7)

<sup>xiv</sup> 43 U.S.C. § 1606(ANCSA §7)-1607(ANCSA §8)