

# KEEPING THE TRUST



*“The board’s decision to take a conservative approach to investment is probably the main reason for the success of Shee Atiká.”*

– Jim Senna, Shee Atiká President/CEO, 1987 - 1998



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oon after the successful conclusion of the NOL transactions of the late 1980s, the board began a process of self-education. A \$1.5 million account was set up with an investment firm, and, over the next several years, Shee Atiká’s directors learned the basics of setting investment policies, how and why funds are allocated to different types of investments, and the virtues of diversification.

“When we decided to get into passive investments, we didn’t know very much about it. One of the ways we decided to learn was to do it hands-on. So Jim Senna found a small investment firm, and we set up an account. That is when we started to learn.”

– Gene Bartolaba, director, 1987 - present

After the NOL tax case was settled with the IRS in 1992, the board approved a \$7.4 million distribution, amounting to \$4,000 for the average holder of 100 shares. Within a year, the corporation had paid its long-term debt and had transferred \$24 million to SAFE.

“The day we paid off our bills, that was gratifying. It was a landmark. We did this through good leadership. We had a good chairman, Ken Cameron, and a good CEO, Jim Senna.”

– Ethel Staton, director, 1974 - 2007

The bond market collapse of 1994 presented the first major test of the trustees’ investment policies.

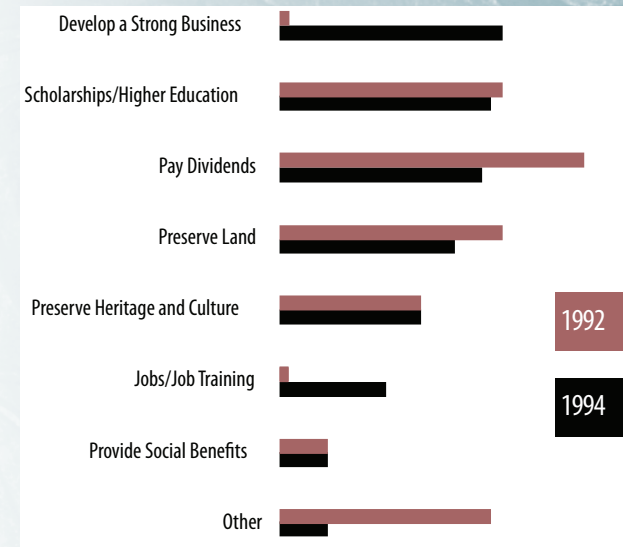
“One thing Jim Senna pounded into our heads is that we’re in this for the long term, so don’t get discouraged.”

– Marta Ryman, director, 1987 - 2010

Shee Atiká’s directors, who serve as trustees of SAFE, had initially allocated over 60 percent of SAFE’s assets to bonds, and 1994, the first full year of investment activity for SAFE, was one of the worst years in the modern history of U.S. bond markets. By this time, after several years of self-education, the directors were confident that the market value of bonds meant little if the bonds were to be held to maturity, as was the case with SAFE’s investments.\*

\* See Endnote: “Passive Investment Stocks & Bonds”

## SHAREHOLDER SURVEYS 1992 AND 1994 “MOST IMPORTANT GOALS”



Shareholders’ confidence in Shee Atiká, as recorded by the McDowell surveys, can be seen in the dramatic changes of opinion, between 1992 and 1994, on the most important goals for the corporation. Topping the shareholders’ list of most important goals in 1994 was “Develop Shee Atiká as a strong business,” a goal that in 1992 was at the bottom of the list, below “Other.” In 1994, “Pay dividends” came in third, after the second ranking goal, “Provide scholarships and support for higher education,” a big change over 1992 when the desire for dividends was by a large margin the first priority for shareholders. The number one reason shareholders gave for their improved opinion of the corporation in 1994 was the board’s investment and financial decisions.

*“The bottom line for shareholders is that they want their corporation, Shee Atiká, to act in a business-like fashion for the benefit of the shareholders in the long term.”*

– Eric McDowell, economist and business consultant

## HISTORY OF DISTRIBUTIONS

YEAR	CORPORATION	SAFE	TOTAL	TOTAL/SHARE
1987	\$ 3,706,000	0	\$ 3,706,000	\$ 20.00
1988	0	0	0	0.00
1989	\$ 741,400	0	\$ 741,400	\$ 4.00
1990	\$ 502,910	0	\$ 502,910	\$ 2.70
1991	\$ 1,533,048	0	\$ 1,533,048	\$ 8.28
1992	\$ 7,486,119	0	\$ 7,486,119	\$ 40.00
1993	\$ 2,038,700	0	\$ 2,038,700	\$ 11.00
1994	\$ 631,626	\$ 1,018,600	\$ 1,650,226	\$ 9.00
1995	\$ 1,018,600	\$ 1,018,600	\$ 2,037,200	\$ 11.00
1996	\$ 1,203,150	\$ 1,018,050	\$ 2,221,200	\$ 12.00
1997	0	\$ 2,406,300	\$ 2,406,300	\$ 13.00
1998	0	\$ 2,406,300	\$ 2,406,300	\$ 13.00
1999	0	\$ 3,516,900	\$ 3,516,900	\$ 19.00
2000	\$ 370,200	\$ 3,331,800	\$ 3,702,000	\$ 20.00
2001	0	\$ 2,592,800	\$ 2,592,800	\$ 14.00
2002	0	\$ 2,592,800	\$ 2,592,800	\$ 14.00
2003	0	\$ 2,063,128	\$ 2,063,128	\$ 11.14
2004	0	\$ 2,129,800	\$ 2,129,800	\$ 11.50
2005	0	\$ 2,203,880	\$ 2,203,880	\$ 11.90
2006	0	\$ 2,277,960	\$ 2,277,960	\$ 12.30
2007	0	\$ 2,407,600	\$ 2,407,600	\$ 13.00
2008	0	\$ 2,537,240	\$ 2,537,240	\$ 13.70
2009	0	\$ 2,203,880	\$ 2,203,880	\$ 11.90
2010	0	\$ 2,203,880	\$ 2,203,880	\$ 11.90
Total	\$19,231,753	\$37,929,518	\$57,161,271	\$308.65

The first distribution to shareholders, in 1987, followed the sale of NOLs to Quaker Oats Co. The largest distribution, in 1992, followed the settlement of the NOL tax case with the IRS. SAFE, established in 1993, has provided the principal source of distributions since 1997.

Although the bond market faltered in 1994, it was just a bump in the road of the greatest economic expansion in the history of the United States. In the years that followed, the value of SAFE's assets increased rapidly as its investments produced strong returns—in some years exceeding 22 percent.

*“Comparing what we made on investments, it was pretty hard to justify getting involved [directly] in operating businesses prior to 2005. We determined that policy early on. We were not going to operate the hotel; instead, we hired someone who could operate it. With operating businesses, it can take a long time to generate a profit—if you ever do.”*

– Marta Ryman

After 1994, Shee Atiká's board was able to meet its goal of incremental increases in the yearly distributions to shareholders, while providing for inflation proofing and growth of the trust funds. From 1997 forward, distributions would come from the earnings of SAFE.

*“Shee Atiká has repaid over \$26 million in debt, earned over \$30 million, and has made cash distributions to shareholders of almost \$18 million.”*

– Jim Senna, annual report to shareholders, May 6, 1995

Income from Atikon's timber activities at Cube Cove provided a majority of the corporation's revenues during the 1990s.\* Revenues from Atikon peaked in 1993, and the price for pulp-grade timber reached its high point of the decade in 1995, allowing Atikon to harvest tracts of timber that had previously been bypassed because of low market value.\*\*

Alice and Charcoal islands, some of Shee Atiká's most valuable real estate, are among the cluster of islands that were connected by causeways to Japonski Island during World War II. The Japonski Island complex is now the site of the Sitka Airport, Mt. Edgecumbe High School, the Mt. Edgecumbe Hospital, and Sealing Cove Harbor, which borders Shee Atiká's island properties. In 1994 and 1995, the corporation began the process of preparing the property for future development by arranging for the removal of antiquated buildings, structures, and underground fuel storage tanks.

\* See Endnote: “Shee Atiká's Income from Atikon”

\*\* See Endnote: “Harvesting Cube Cove”

“Our corporate strategy is to develop and manage assets such as real estate. This is a much lower risk strategy compared to starting, buying, owning, and operating businesses. That is why we refer to the corporation as an ‘asset management company.’ ”

- Jim Senna, annual meeting of shareholders, May 2, 1998

Shee Atiká added to its local real estate inventory by acquiring, in 1996, the “theater property.” The centrally located building that housed Sitka’s only cinema continued to operate under a third-party agreement until demolished in 2003. On the site now stands *Shee Atiká Kutees’ Hit*, a three-story office building that houses a variety of tenants and, on the top floor, Shee Atiká’s corporate headquarters.

In 1997, the corporation earned \$700,000 of its operating profits from the Shee Atiká Lodge and rental income from Totem Square, the theater, and facilities on Alice and Charcoal islands.

The May 1998 annual meeting would be Senna’s last as Shee Atiká’s CEO.

“When I leave, you can rest assured that your corporation will be in good hands. You have a strong board, I think the best in the Native community.... They have a track record of making excellent decisions. They are up to the task. They will find a worthy CEO.”

- Jim Senna, annual meeting of shareholders, May 2, 1998

As the next CEO, the board chose Robert Loiselle, who had recently retired from Klukwan Inc. after nearly 18 years in executive positions with that ANCSA corporation and its subsidiaries.



ALICE AND CHARCOAL ISLANDS

While lack of road access limits the development potential of the Katlian land, the corporation’s land on Alice and Charcoal islands represents some of the highest quality real estate in Sitka. Some developments occurred on the islands through 1996, but further activities were put on hold when it became known that the State of Alaska planned to acquire a large portion of Shee Atiká’s Charcoal Island property for an airport expansion project. In 2001, condemnation procedures concluded with the State of Alaska paying Shee Atiká \$5.6 million for 14.85 acres. Shee Atiká’s ownership of Alice and Charcoal is noteworthy in that the subsurface of these lands was acquired through a land trade with Sealaska Corporation in 2000. This allows SAI much greater flexibility to determine the use of those lands.

# INVESTING FOR MULTI- GENERATIONS



*“...to preserve and enhance  
our culture for all  
generations of shareholders,  
and to provide benefits to  
shareholders on an equitable  
basis.”*

- Shee Atiká's Mission Statement



The 1988 business plan worked well. Atikon was very profitable and the Shee Atiká Board was able to reinvest a significant amount of its share of the Atikon distributions. And, when the Quaker NOL transaction successfully concluded in 1992, substantial additional amounts in the tens of millions became available to Shee Atiká.

Atikon’s success, coupled with anticipatory distributions from the funds held by Quaker pending resolution of the NOL audit escrow, allowed the Board to establish an educational program in 1989 that would eventually become the Shee Atiká Benefit Trust. And, once the Quaker NOL transaction was successfully concluded, the Board moved rapidly to establish the Shee Atiká Fund Endowment (“SAFE”). To make sure that the right perspective would be in place for SAFE, the Board retained David Rose, the retired CEO of the Alaska Permanent Fund, for his perspective. SAFE’s organic documents declared an intent to provide pro rata income benefits on a multi-generational basis. SAFE was funded in 1993 with \$24 million in initial capital. Additional capital was placed into SAFE throughout the 1990s as Atikon’s operations continued to be profitable.

*“Our shareholder base is such a diverse group—some can take advantage of scholarships, or reinvest their dividends for retirement. But other shareholders use the money for basic needs. I take pride that we can provide this help.”*

– Francine Eddy Jones, director, 1995 - present

By the late 1990s the investment activities of the various Shee Atiká entities had become so widespread that a new entity, Shee Atiká Investments, LLC (SAIL) was formed. SAIL would henceforth function as a private mutual fund that centralized the investment activities of Shee Atiká and the two settlement trusts. At the 2000 Annual Meeting, the shareholders returned Dr. Kenneth Cameron, a Sitka dentist, to the board. He had previously served as a director and board chairman from the late 1980s and early 1990s, leaving the Board in 1993. This tenure as Chairman was a remarkable time for Shee Atiká: a near bankruptcy, then a financial rebirth due to the Atikon timber sale and the highly

## SHEE ATIKÁ'S COMBINED GROSS ASSETS

(IN MILLIONS)

1999	\$87.6
2000	\$86.5
2001	\$84.7
2002	\$88.4
2003	\$96.2
2004	\$99.8
2005	\$107.7
2006	\$108.4
2007	\$113.2
2008	\$115.1
2009	\$115.4
2010	\$120.4

*“When Bob Loiselle became CEO, Shee Atiká’s portfolio was about 60-70 percent cash. Jim [Senna] said, I don’t want to tie the hands of the next CEO. He felt the cash should be available as a war chest and to cushion against the inevitable fall off in harvestable timber.”*

– Bruce Edwards , corporate attorney

## THE YALE ENDOWMENT MODEL

Institutions such as Yale University necessarily prefer a predictable, steady flow of investment revenues to fund educational programs, and, accordingly, focus on investment sectors not strongly affected by market gyrations. An underlying thesis of the Yale Endowment Model is that the most certain way to increase revenues available for spending is to increase the percentage of earnings reinvested in the principal – growing the fund rather than just inflation-proofing it.

*“We now have five written rulings from the IRS that say so long as we ourselves respect the entities the IRS will also respect the different Shee Atika entities as being distinct, with different tax characteristics, even though these entities have the same officers, the same fiduciaries, and the same shareholders/beneficiaries. This means keeping separate bank accounts, maintaining accurate paper records, and filing correct tax returns, among other things.”*

– Bruce Edwards

successful NOL transactions, and ultimately the implementation of a long-term multi-generational approach to Shee Atiká’s benefits through the establishment and funding of the Shee Atiká Fund Endowment and the Shee Atiká Scholarship plan. After Cameron rejoined the Board, he reviewed the history of distributions in the years after he left the Board. Cameron saw that there had been almost a 40% increase in distributions between 1998 and 2000 and found this to be unsustainable. By nature conservative, Cameron instinctively favored increasing the fund principal so that dividends could grow incrementally over the long term. Cameron felt that this would allow SAFE to fulfill its promise of multi-generation benefits.

Having served as Sheldon Jackson College President between his tenures with Shee Atiká, Cameron had researched the investment and expenditure theories employed by other educational institutions. Upon returning to the Shee Atiká Board, he found that a majority of the Board shared his interest in restructuring Shee Atiká’s investment and expenditure policies along the lines of the Yale Endowment Model developed for Yale University. One of the key features of the Yale Endowment Model is the recognition that a long-term organization must live within its net income if it is to survive—expenditures cannot simply be calculated based on an assumed revenue stream—and that investments must be structured so that adequate funds remain available for reinvestment (as opposed to expenditure) to grow the fund.

The board was presented a model based upon a spending policy developed by college and university endowments and a distribution policy favored by the Alaska Permanent Fund. Using these two models the board was able to implement a distribution policy that is reasonable, is well understood by the shareholders, and provides for future generations of shareholders.

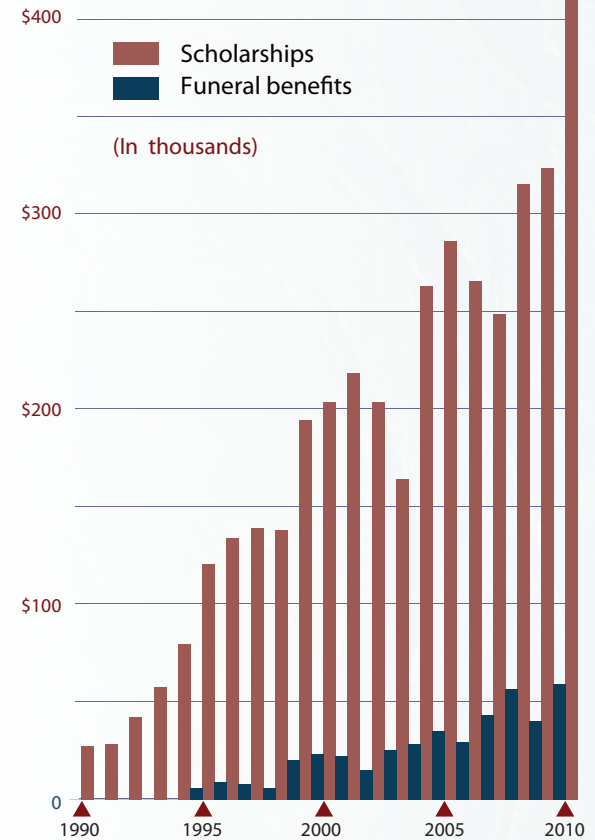
– Dr. Kenneth Cameron, past chairman, and chairman 2008 - present; President/CEO 2010 - present

Under Cameron’s leadership, the Board refined the existing distribution policy (which had been based solely on a five-year rolling average of SAFE’s annual market value) to give far greater weight to the need

for multi-generational benefits. In simplest terms, reinvestment was given a much higher priority. The five-year rolling average calculation was retained, but became more of a factor to be considered rather than the controlling authority. This was not so much a policy change as it was a strengthening of the directors' approach to both investments and distributions. By ensuring that investment funds would grow over time, Shee Atiká's directors effectively made their mission "to provide benefits to all generations of shareholders" a multi-generational promise.

With a distribution policy in place that ensured equity between present and future generations of shareholders, and a commitment to conservative investments, the corporate focus shifted to coming up with new sources of revenues. This conservative investment policy permitted SAFE to continue to make money and provide distributions even through the long bear market that began in 2000.

Shee Atiká directors serve as trustees of Shee Atiká Fund Endowment (SAFE) and Shee Atiká Benefits Trust (SABT), and also serve as directors of Shee Atiká Investments, LLC, which is the investment vehicle for both of these trusts and the corporation. Shee Atiká directors have authorized many contributions to the trusts from Shee Atiká Incorporated, but the corporation cannot reach into the trusts and recapture assets. The situation amounts to a one-way street for Shee Atiká Inc. – it can give, but it may not receive. Some normal business transactions are allowable. For example, Shee Atiká Management (SAM), a subsidiary of SAI, began leasing the Totem Square Inn from the Shee Atiká Benefits Trust in 2008.



SABT SCHOLARSHIPS & FUNERAL BENEFITS  
1990 - 2010

The Shee Atiká Benefits Trust provides scholarships and funeral benefits to any shareholder, regardless of the number of shares held. Shareholders may apply for support to pursue cultural, vocational, or academic training. Since 1990, SABT has distributed a total of \$3.8 million in scholarships, and since 1995, \$428,000 in funeral benefits. See Endnote on page 103.

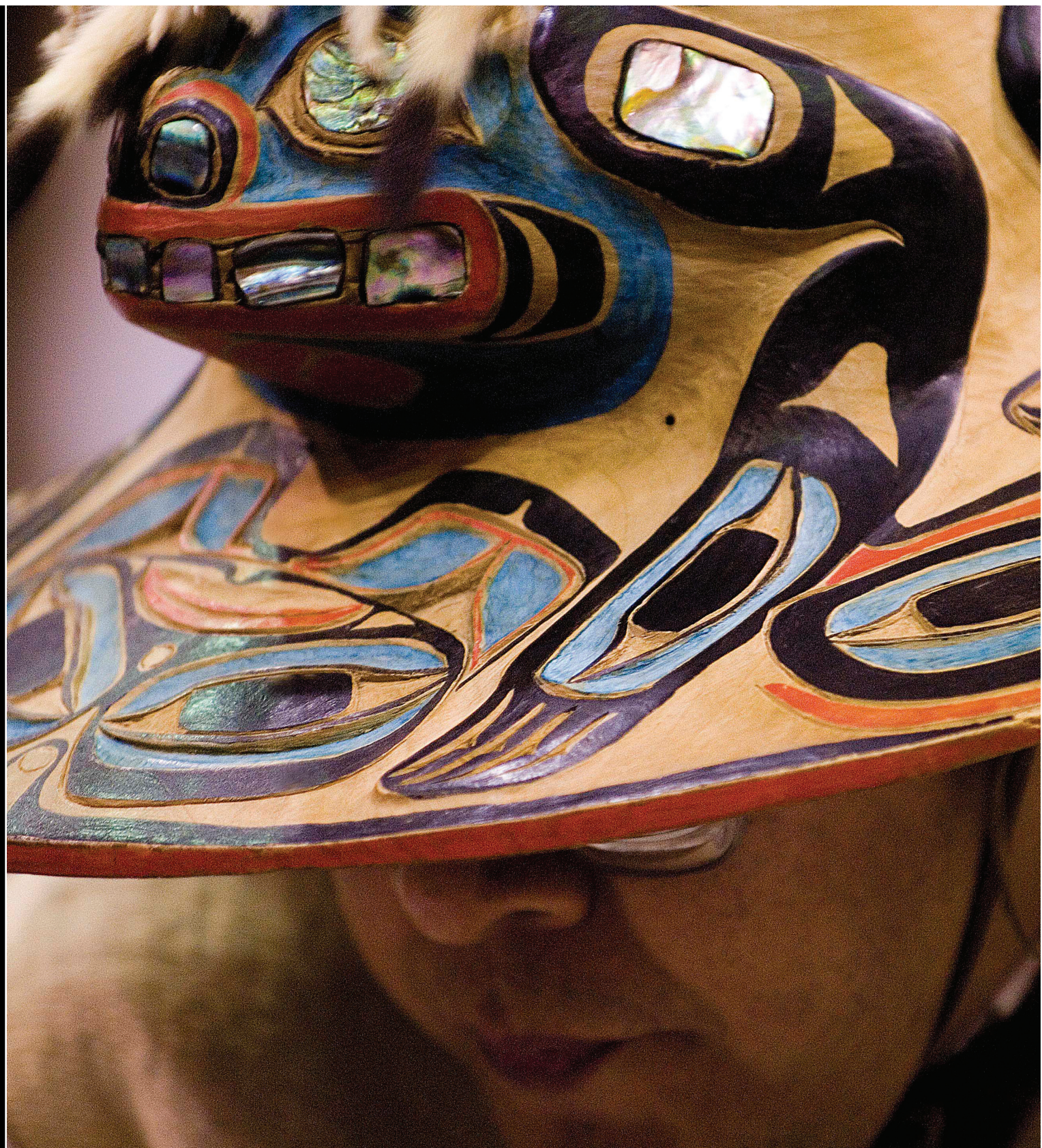


# UPDATING THE BUSINESS PLAN



*When you build a house, you have to get the foundation right, or else the house won't be right. Everything follows from the foundation. The same is true for business: get the mission statement right, believe it, and then implement it through your business plan. If you do this, your business will be successful.*

– Dr. Kenneth Cameron  
Past chairman, and chairman 2008- present;  
President/CEO 2010 - present



**B**y 1988, Shee Atiká's directors had already faced trial by fire. The prior year, they had stared bankruptcy in the face when Sealaska Corporation sued Shee Atiká to stop the timber harvest at Cube Cove. The Board's response had been to meet Sealaska head-on and stop the lawsuit, and then to enter the Quaker Oats net operating loss transaction and the sale of the Cube Cove timber to Atikon Forest Products, Inc. The combination of these two transactions gave Shee Atiká's directors breathing room to think about the future. In April 1988, the Board held a planning meeting in Seattle to develop a strategic vision for Shee Atiká's future. The result of this meeting was the adoption of the mission statement for Shee Atiká:

*Shee Atiká, Incorporated's mission is to preserve and enhance our culture for all generations of shareholders, and to provide benefits to shareholders consistently and on an equitable basis.*

Shee Atiká would henceforth focus on a multi-generational mission that was relatively unique in the world of ANCSA corporations. It would not be enough to provide benefits to the current generation of Shee Atiká shareholders. Instead, benefits for the current generation of shareholders would have to be balanced against the need to provide for all generations of Shee Atiká shareholders. Stated differently, a part of Shee Atiká's current income would need to be reinvested for the future.

*We are in it for our children, and for our grandchildren, and for the cultural heritage of our people. Our mission is to make money for the shareholders and to make sure it is there for future generations.*

- Harold "Bunny" Donnelly Jr., director, 1996 - present

Shee Atiká's near bankruptcy had a profound impact on the Board, and the business plan the directors developed in 1988 to implement the new mission statement was decidedly low risk. Basically, the Board's 1988 business plan had three critical elements: (1) to allow Atikon to harvest the Cube Cove timber as efficiently as possible, with distributions to Atikon's two owners (Shee Atiká and Koncor Forest Products); (2) then for Shee

## THE 8(a) ADVANTAGE

The Small Business Administration's 8(a) program helps level the playing field for minority or otherwise disadvantaged businesses, particularly Alaska Native entities. The advantage for the government is that a contract with an Alaska Native 8(a) entity can be entered without putting a contract to bid, and thereby avoid delays caused by red tape and litigation by unhappy competitors.



Dr. Pamela Steffes, an optometrist, has served as a Shee Atiká director since 2007. She also serves as one of two SAI representatives on Shee Atiká Languages' three-person management board. She holds a U.S. government Top Secret clearance.



Shee Atiká Languages, LLC, provides native interpreters, like the man at left, for U.S. government and military personnel working in foreign countries. It is the corporation's most successful 8(a) subsidiary.

Atiká to reinvest a high percentage of the Atikon distributions; and (3) to pursue resolution of the Quaker net operating loss transaction, with the proceeds to be invested to provide long-term benefits.

As critical as Atikon's distributions would be to Shee Atiká's future, almost as soon as the ink was dry on the final timber sale contract in 1987, the Board had begun planning for the eventual decline in revenue from Atikon's timber harvest. Shee Atiká's board knew it would have to establish an income stream from other activities. At least initially, this meant investing in commercial real estate in Alaska and the lower 48 that could be rented to third parties. By 2005, Shee Atiká owned a multi-tenant office park in Anchorage, a warehouse-manufacturing structure in Houston leased to the Boeing Company, an educational facility in Phoenix leased to ITT Educational Services, and an office building in Colorado Springs leased to a quasi-governmental agency, the MITRE Corporation.

In 2005, Shee Atiká's attorneys, Sorensen & Edwards, were contacted by persons in the government contracting business who were seeking an Alaska Native corporation partner to participate in the Small Business Administration's 8(a) program. Sorensen & Edwards referred these contacts to Shee Atiká. The purpose of this federal program is to help disadvantaged businesses compete in the U.S. economy. As businesses owned almost entirely by minority shareholders (i.e., Native Americans), Alaska Native corporations (ANCs) such as Shee Atiká qualify for participation.

*The challenge was to find alternative sources of income to replace Atikon, and that was not realistic, at least initially. The commercial real estate we purchased certainly helped, and was a good investment, but the income replacement did not fully occur until 2007 when our 8(a) subsidiaries really came on line.*

*- Dr. Kenneth Cameron, past chairman, and chairman 2008 - present; President/CEO 2010 - present*

As a follow-up to the contacts referred by Sorensen & Edwards, the Board approved the formation of two 8(a) companies: Shee Atiká Technologies, LLC ("SAT"), which would operate in the high-tech engineering

field, and Shee Atiká Languages, LLC (“SAL”), which would provide native language speakers for military and intelligence services operating in foreign countries. In both cases, Shee Atiká owned 51% of the companies, while the third parties that had originally contacted Sorensen & Edwards owned 49%.

The investment in the new 8(a) companies marked a major shift from the passive business plan of 1988 to an operational business model in 2005. The Board clearly viewed the 8(a) program as an opportunity to create a new source of income comparable to Atikon.

Between 2005 and 2009, a total of five 8(a) subsidiaries were created (see chart of Shee Atiká’s subsidiaries, page 106). Three proved to be successful and continue to generate profits. Perhaps the most creative of these 8(a) businesses is Shee Atiká Commercial Services, LLC (“SACS”), 51% owned by Shee Atiká Inc. and 49% owned by the Shee Atiká Fund Endowment (“SAFE”). There were several advantages to Shee Atiká combining with the shareholders’ settlement trust in an 8(a), the most important of which was that all profits would ultimately benefit the owners of Shee Atiká, either in their capacity as SAI’s shareholders or as beneficiaries of SAFE. As of December 31, 2010, SACS had achieved 8(a) status, and it is now generating significant profits.

Shee Atiká’s 8(a) operations are simply one part of the larger picture. The primary goal for SAI, as set forth in the mission statement, is to provide benefits on an equitable basis to multiple generations of shareholders. Profits from the 8(a) operations have been reinvested to build up both SAFE and SABI. The result has been an increase in the net worth of these trusts by several million dollars. Regardless of what might become of the 8(a) program, the profits of Shee Atiká’s 8(a) operations reinvested in the trusts serve to fulfill the multi-generational promise.

Photo by Peter Metcalfe

## THE STEVENS EFFECT

The late Senator Ted Stevens was so successful in his efforts to promote the development of Alaska that state economists began referring to his economic influence as the “Stevens Effect.”



Senator Ted Stevens, 1923-2010

Alaska Natives were major beneficiaries of Stevens’ legislative accomplishments, and in few areas more than health services.

Senator Ted Stevens can also be said to have been the father of Alaska Native Corporation 8(a) contracting, due to his many successful legislative initiatives on the subject.

# FULFILLING THE PROMISE



*“Ethel Staton was one of the most encouraging people I’ve spoken to. I knew I didn’t have much experience, but she said, No, you have the potential and the willingness to learn. Recognizing that Ethel had done so much for the corporation through all her years of service, it was powerful to hear this from her.”*

– Dr. Pamela Steffes, director, 2007 - present

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he recent history of Shee Atiká can be viewed as a decades-long effort to fulfill the multi-generational promise of its mission statement.

By approving the creation of the Shee Atiká Fund Endowment in 1993 and the Shee Atiká Benefits Trust in 1997, both irrevocable trusts, shareholders ensured that cash distributions, educational grants, and funeral benefits would be enjoyed by all shareholders — present and future.

Through our trusts, the money is going to be there for all time. When we are no longer around, and new directors come on, the money will be there, as it will be for their grandchildren’s children.

– Loretta Ness, director, 1991 - present

The cash distributions of SAFE are allocated on a pro rata basis according to the number of shares currently held. The trust agreement creating SABT allows any shareholder, regardless of the number of shares held, to enjoy equal access to grants.

One share is all it takes to receive a SABT scholarship.

– Marta Ryman, director, 1987 - 2010

Shareholder Joshua Horan, who succeeded Marta Ryman as a director in 2010, received crucial financial aid while attending Georgetown University in Washington, D.C., which helped him earn his Foreign Service B.S. degree. He is now a real estate appraiser for his family’s Sitka appraisal company.

During the first semester at college, I realized that for the first time in my life I was fully in charge of my finances. Receiving my first quarterly scholarship from SABT, I became aware of how important that financial aid really is. After I returned to Sitka, I worked as a Shee Atiká intern. For me, it was a really formative experience. I realized I could live in Sitka and find satisfying work.

– Joshua Horan, director, 2010 - present

Shareholders seeking vocational education have long been eligible for grant assistance, but the often-concentrated training period at relatively

high cost inspired SABB trustees to restructure requirements. Beginning in 2009 shareholders could apply at one time for the equivalent of three years of grants.

Brian James was among the first Shee Atiká shareholders to receive the concentrated vocational grant, which he used to provide for his basic needs during two years of training in New Zealand. Now James is one of just over a dozen dental therapists—the equivalent of physician assistants—working in the Alaska Native health care system.

SABB helped out tremendously. Our training and travel was fully funded, but for all the logistics and living expenses—I survived on the funding I received from SABB.

– Brian James, dental therapist

Another change in eligibility requirements extended the grant program to young shareholders who are interested in cultural education and training. Joshua Young took an early interest in Alaska Native art and, by age 11, became fascinated with carving while watching master carver David Galanin at work. Josh did what the SABB committee expected of young shareholders: took responsibility and completed the application himself.

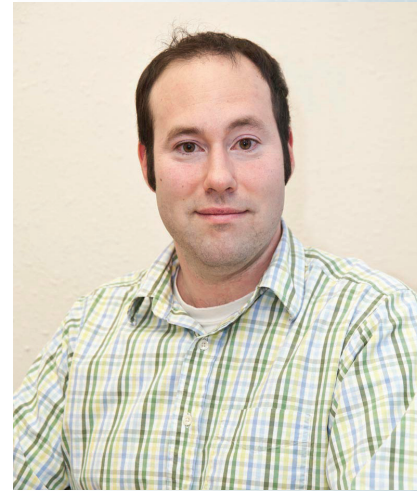
I showed him how to hold the tool and got him set up. It is expensive to get into silver engraving. The SABB grant allowed Josh to purchase the engraving ball and other silver working supplies. I want him to get into all levels.

– David Galanin, master carver

Opal Lee Helgesen-Olsen is a shareholder of Haida heritage. After her five daughters were grown, Opal went back to school at the University of Alaska Southeast in Sitka, graduating with a Northwest Coast Arts Certificate, with an emphasis in basketry. She credits SABB grants for helping her complete the program and for funding many of her students, to whom she teaches the art of basketry.

Previously, SABB grants could be used only for tuition, books, and supplies. Now they allow travel. I have a sister who has been receiving help. It is a real good program and has really helped a lot of people. I'm weaving all the time.

– Opal Lee Helgesen-Olsen



Shee Atiká shareholders and beneficiaries of SABB educational grants, clockwise from top left: Josh Horan, real estate appraiser; Brian James, dental therapist; Opal Lee Helgesen-Olsen, basketry artist and teacher; and Joshua Young, apprentice to Northwest Coast master carver David Galanin.



# CONCLUSION



*“The Native people, through ANCSA, are here to stay economically, as they have always been culturally and socially.”*

– Eric McDowell, Alaska economist

The settlement of Alaska Native claims marked a unique moment in the history of Native American relations with the United States. Instead of agreeing to treaty conditions and becoming wards of the government, Alaska Natives retained their independence and entered the mainstream economy of Alaska through the corporate model.

This history of Shee Atiká has tracked the steps taken by Alaska Natives of Sitka to create an Alaska Native Claims Settlement Act corporation and then to overcome a series of obstacles as they developed a strong and stable corporation, two trusts, and an in-house mutual fund.

The Shee Atiká of today includes the corporation, several subsidiaries, and two settlement trusts: Shee Atiká Fund Endowment (SAFE) and Shee Atiká Benefits Trust (SABT). All told, these entities enjoy a combined net worth exceeding \$120 million at the beginning of 2011.

The two irrevocable trusts serve as repositories for a substantial portion of Shee Atiká’s assets, which in turn are invested for the purpose of generating revenues that provide cash, educational grants, and other benefits to shareholders. These trusts were set up to provide financial benefits in perpetuity.

*The directors of our board did the job they were meant to do – they preserved our rights and our assets. Shee Atiká has withstood serious economic problems, yet we are still standing proud today. If you look at us against a lot of corporations, I believe we are successful. I truly am proud.*

– Lillian Young, shareholder services manager, employed with Shee Atiká since 1989

When Shee Atiká was organized in 1974, nearly all of the 1,852 people who became shareholders were Alaska Natives who lived in Sitka. Now there are more than 3,000 shareholders, of whom just under one-third call Sitka home. The one demographic fact that has changed little is that Shee Atiká shareholders are almost all of Alaska Native heritage.\*

Owning more than 3,000 acres in and near Sitka, Shee Atiká is the largest private landowner in the community. Nearly 23,000 acres of land

\* See Endnote: “Shee Atiká Demographics”

are owned by Shee Atiká at Cube Cove on Admiralty Island, where the harvest of timber ended in 2001. It remains to be seen whether this land will be retained for the potential value of the second-growth forest, developed for other purposes, or exchanged, sold, or otherwise conveyed to the federal government.

Despite the corporation's hard-earned success, its shareholders remain disproportionately at an economic disadvantage to the general population.

SAFE's regular, predictable distributions are important to shareholders, and SABB's flexible and generous scholarship program helps many Shee Atiká shareholders raise their standard of living.

All ANCSA shareholders can take pride that Native corporations constitute one of the most vibrant sectors of Alaska's economy. Shee Atiká's shareholders can take particular pride in the stability, growth, and present value of their corporation. Without the farsightedness of Shee Atiká's directors and the common sense of its shareholders, the outcome could have been quite different.

*"I feel very fortunate to have been part of this whole episode, from when Shee Atiká had hardly anything to now, when it is successful. I feel a lot of pride for being a part of that; I feel a lot of pride for our shareholders, for all the past boards and what we accomplished. Sometimes I sit back and I'm just amazed that I got to be a part of this whole story."*

- Gene Bartolaba, director, 1986 - present

*I credit the board with four major accomplishments over the last several years:*

▶ *First, in 2002, after much discussion, the board made a tough decision to temporarily move most of the investment portfolio to cash. We probably saved a couple million.*

▶ *The second item was the development of a distribution policy for dividends. Prior to this time, there was no distribution policy.*

▶ *Third, the board approved investing in 8(a) companies. To date, this has increased the equity position of Shee Atiká by more than 10 million dollars.*

▶ *And fourth, in late 2008, the board once again reallocated a large portion of the portfolios to cash, a move that again saved us millions of dollars.*

- Dr. Kenneth Cameron, chairman  
1986 - 1993 / 2008 - present



## PHOTOGRAPHY

All uncredited photos are from the Shee Atiká archives. The photographs that grace the cover, title page, and chapter pages are by the following Alaska photographers:

David Dapcevich of Sitka: pages 1, 20, 24, 28, 32, 36, 58, 78.

Daniel Evans of Sitka: cover, title page, pages 48, 54, 62, 66, 70.

Peter Metcalfe of Juneau: pages 40, 44, 74, 83.

## EDITING AND PROOFREADING

Liz Dodd and Kathy Kolkhorst Ruddy.

## ABOUT THE AUTHOR

Peter Metcalfe has provided communication services – including publishing, photography, and video production – for Alaska Native organizations throughout Southeast Alaska since 1980. He has written several books documenting the history of Alaska Native tribal organizations and ANCSA corporation, including the history of the Central Council of Tlingit and Haida Indian Tribes of Alaska, and *Gumboot Determination: the History of the Southeast Alaska Regional Health Consortium*, for which he won the American Book Award from the Before Columbus Foundation. Metcalfe also authored *The Sword and the Shield: The Defense of Alaska Aboriginal Claims by the Alaska Native Brotherhood*. He has provided services at various times for all but two of the 13 Alaska Native Claims Settlement Act corporations of Southeast and for Shee Atiká since 1984. Metcalfe lives in Juneau, Alaska.

## THE OUTSIDE PROFESSIONALS

Over the years Shee Atiká has relied on the services of numerous consultants and other professionals, many of whom willingly provided services on credit at a time when Shee Atiká was financially strapped, and patiently awaited payment, in some cases for a period of years, notably the engineering firm of CH2M Hill and attorney Richard Baenen. Four “outside professionals” who provided key services during Shee Atiká’s most difficult years, and whose cooperation during the original research phase for the first edition of this book proved invaluable, deserve mention:

### **Richard Anthony Baenen, attorney and lobbyist**

After serving in the Judge Advocate General’s Corps (U.S. Army), Baenen joined a Washington, D. C. law firm and specialized in representing American Indian tribes as general counsel and claims attorney. His involvement with Alaska Native groups began in 1970 when he represented a group of Eskimos in conjunction with the efforts to secure passage of the Alaska Native Claims Settlement Act. In 1979, Baenen was retained by Shee Atiká to lobby Congress in an effort to secure Shee Atiká its Settlement Act entitlements and later to successfully defend Shee Atiká against law suits and administrative actions orchestrated by the Sierra Club. He was assisted by attorneys Pierre J. LaForce and Jacquelyn Luke. Mr. Baenen, who lived in St. Michaels, MD, passed away in 2005.

### **Bruce Edwards, attorney for Shee Atiká**

Practicing tax law since the 1970s, with a particular focus on the special issues confronting Alaska Natives and other Native Americans, Mr. Edwards received his law degree from the University of Washington; a Master of Laws

in Taxation from New York University, and served as law clerk to a federal appellate judge. Edwards and his law partner, Mike Sorensen, were key players in negotiating NOL sales for their Alaska Native corporation clients, and then in helping those clients develop strategies in response to challenges by the Internal Revenue Service. They have been instrumental in establishing settlement trusts for several Native corporations and in lobbying for favorable tax treatment for settlement trusts.

Edwards is licensed to practice law in Washington and Alaska. He is a Fellow of the American College of Tax Counsel, has written extensively in the tax field, and has served as an editor of the *Journal of Taxation* published in New York. He lives in Seattle, Washington.

### **John Ferris, auditor**

Providing income tax and accounting services to numerous Alaska Native entities for nearly 40 years, Ferris worked with Indian Reorganization Act (IRA) organizations, not-for-profits, and Alaska Native corporations throughout Alaska. Ferris continues to provide advice on financial and income tax matters to many Native entities as well as companies doing business in the Lower 48 and Europe. He lives in Seattle, Washington.

### **Wesley Rickard, timber appraiser**

Former manager of the Weyerhaeuser Company forest economics department and consulting since 1968, Westley Rickard provided forest management strategies, appraisals, and representation in litigation and issues of forest policy for firms such as Potlatch, Weyerhaeuser, and MacMillan Bloedel, Alaska Native Corporations, Indian Tribes, state agencies, small companies, and private owners and associations. He lives in Gig Harbor, Washington.

# ENDNOTES

## Page 5 – FIRST CONTACTS

The first known contacts between Europeans and Tlingits occurred near Sitka in July 1741. The *St. Paul*, a Russian vessel commanded by Aleksei Chirikov, came upon *Tlingit Aani* (the “domain of the Tlingit”) at the southern end of the present day Baranof Island. Chirikov followed the coast north, and on July 18, somewhere in the vicinity of Yakobi Island, he sent into shore several men in a longboat to replenish fresh water supplies. The vessel and its occupants failed to return. Several days later, a second shore party was sent in with craftsmen and materials to repair the possibly damaged longboat. It too never returned. Chirikov believed the shore parties—in all, 15 men—were slain by the Natives who were seen paddling along the shore in canoes the day after the second boat went to shore. To this day, the fate of Chirikov’s men remains a much-debated mystery.

Spanish expeditions visited Tlingit Aani in 1774, 1775, and 1779. These visits were followed by a catastrophic smallpox epidemic that ravaged the Pacific Northwest Coast – now believed a coincidence.

The first seafaring merchants began arriving in Southeast Alaska in 1785. Captain Nathaniel Portlock, a British merchant, visited a village just north of Sitka in 1787. He expected to find a numerous tribe, but was greeted by fewer than 15 people, several with severe pockmarks. The age gaps suggested the village had been devastated by smallpox over a decade before Portlock’s visit.

Exactly what toll this epidemic took in Southeast Alaska can never be known, but without question the population absorbed a huge demographic blow from which the Tlingits were just recovering when Alexander Baranov, Chief Manager of the Russian-American Company, began exploring the region in 1795.

By the time Baranov visited Sitka in 1799, the Tlingit, willing and adept traders, were well acquainted with European goods and weaponry.

## Page 7 – THE RUSSIAN ERA

Russia’s venture in Alaska is often oversimplified and the protagonists stereotyped, a situation the husband and wife team of Richard and Nora Dauenhauer has sought to rectify. In 2008, the Dauenhauers, who have written and produced several books on Tlingit subjects for the Sealaska Heritage Institute, published *Anóoshi Lingít Aani Ká – Russians in Tlingit America: The Battles of Sitka, 1802 and 1804*, a compilation of oral history and original documents that sheds new light on the Tlingit-Russian battles of 1802 and 1804. These events, according to the Dauenhauers, are “usually presented as a confrontation between ‘whites’ with superior arms, and brave but outnumbered and poorly armed Natives.” The facts, as uncovered by the Dauenhauers, reveal a far more complex, interesting, intriguing, and extensive series of conflicts and interactions than had previously been appreciated.

Throughout their publishing career, the Dauenhauers have continued to substantiate their observation that the Tlingits borrowed selectively from but were not overwhelmed by Russian culture. A thorough yet concise explanation of this period, including a discussion of Tlingit culture, society, and history can be found in the introduction to *Haa Kusteeyí, Our Culture: Tlingit Life Stories*, by the Dauenhauers.

The quotations below are excerpted from the introduction to *Haa Kusteeyí*:

“As far as we can tell, the social and intellectual culture of the Tlingit remained unchanged during the eighteenth century... The Tlingit continued to control trade with outsiders, tolerating traders as long as they didn’t interfere with the aboriginal power structure or attempt to build permanent settlements” (page 33).

“The Russians... were not strong enough to undertake a full-scale occupation of Tlingit country, and the areas beyond the fort at Sitka remained in Tlingit control. The Tlingits were well armed, and Sitka was surrounded by a stockade, which the Tlingits attacked from time to time, as late as 1855... For the most part, the traditional Tlingit social system remained intact, and the Tlingit were not disturbed in their traditional use of the land and its resources” (page 35).

It should be noted that “Russian America” was quite literally on the other side of the world from the Russian capital at St. Petersburg. Getting from there to Sitka, the Russian capital of Alaska, required taking a sea route that skirted the continents of the Americas or Africa – either route a distance nearly as long as the globe’s 24,000-mile circumference.

Land travel across the 6,000-mile wide Asian continent was extraordinarily difficult and could take up to two years. The difficulties included terrestrial features such as mountains, steppes, deserts, taiga, marshes, and rivers, most of which flow to the south or north, presenting obstacles to be crossed rather than means of transport. The Russian explorers, merchants, priests, hunters, and adventurers who had successfully crossed the Asian land mass still had to voyage across thousands of miles of open, storm tossed ocean before reaching Sitka.

So far from their homeland, the Russians found themselves dependent on the Natives of Southeast Alaska to supply foodstuffs, and to some extent furs, while the Tlingit could access trade items, typically much cheaper and of higher quality than those offered by Russians, from American or European merchant seamen. Not dependent on the Russians, there was no particular reason for Tlingits to adapt to Russian ways.

For more on Tlingit-Russian interactions, especially in the Sitka area, see *Memory Eternal* by Sergie Kan (1999).

## NOTE TO READER

Throughout this book, quotations that are not footnoted and sourced are from verbatim transcripts of interviews conducted by the author, Peter Metcalfe, or from transcripts of archival videotaped interviews with Shee Atiká directors recorded in 1994.

## PRONUNCIATION GUIDE TO ACRONYMS

ANCSA: ANK-sah

ANILCA: ah-NILL-cah

Kootznoowoo: COOTS-new-woo (Tlingit, meaning brown bear fort; as applied to Admiralty Island, “fortress of the bears.”)

Lis pendens: Lis-PEN-dens (Latin for pending lawsuit)

SABT: SAH-but

## ABBREVIATIONS

ANB: Alaska Native Brotherhood

ANC: Alaska Native corporation

ANS: Alaska Native Sisterhood

ANF: Alaska Native Fund

8(a): shorthand for the Small Business Administration’s Section 8(a) Business Development Program

LTF: log transfer facility

mbf: thousand board feet. The letter M represents the Roman numeral for one thousand.

NOL: net operating loss; plural is pronounced en-oh-ells

#### Page 11 – THE TRIALS OF RUDOLPH WALTON

The *Davis v. Sitka School Board* case referenced in the narrative section of this book is well documented thanks to the efforts of Rudolph Walton's granddaughter, Joyce Walton Shales. In 1998, Shales published her doctoral dissertation "Rudolph Walton: One Tlingit Man's Journey through Stormy Seas, Sitka, Alaska, 1867-1951." The dissertation is available through the University of Alaska library system. More widely available is the book *Authentic Indians*, by Paige Raibmon (Duke University Press, 2005): two of nine chapters detail Walton's life, most of the information provided by Shales' dissertation. Also available is a presentation "No Place like Home" by Walton descendants at the 2007 Sharing Our Knowledge conference in Sitka – see DVD vol. 33, which is available through the Alaska library system and at major national libraries or can be acquired through [www.ankn.uaf.edu](http://www.ankn.uaf.edu) (search for "Sharing Our Knowledge").



Rudolph Walton sued the Sitka School board on behalf of his adopted children, Dora and Tillie Davis, and, for the purpose of the case, as the appointed guardian of John and Lotie Littlefield and Lizzie and Peter Allard, all children of mixed blood who were denied admission to the Sitka school on January 25, 1906. They and other Native children had been "enumerated" (counted) by the Sitka School District, heightening the hypocrisy of their rejection, since the school district received federal funding for the Native children they would not accept.

Walton sued but lost his case when, two years after the trial, a ruling was issued by District Judge Royal Arch Gunnison. According to Felix Cohen (*Handbook of Federal Indian Law*, 1945: 406), Gunnison "took the view that civilization is achieved only when the natives have adopted the white man's way of life and only associate with white men and women." The court ruled against Walton because he

and his family resided, at that time, in the Sitka Indian village, even though Walton, who spoke and wrote English, was a respected business man who paid his taxes and kept a postal box at the Post Office (Shales: 195).

Although the door is open to the interpretation of Gunnison's ruling as strictly a legal matter, to Walton's supporters it was clearly the product of racial prejudice. A complicating factor was Walton's standing with the Presbyterian Church. Widowed in 1904 when he lost his first wife, Daisy, to disease, Walton married Mary Dick Davis of Hoonah a year later. She was the widow of Fred Davis and closely related by clan to the late Daisy Walton. His marriage to Mary Davis was viewed by his fellow Presbyterian elders as the perpetuation of a heathen tradition, causing Walton to fall out of favor with his church. During the trial, several Presbyterian elders testified against Walton on behalf of the Sitka School Board. Nevertheless, Walton retained the support of the church's founding missionaries, John Brady and Sheldon Jackson.

In a letter to Sheldon Jackson on January 31, 1906, Brady, the first appointed Governor of the Territory of Alaska, cited the denial of education to Native children by the Sitka School Board as the motivating reason behind his decision to resign his appointment and he and his wife's decision to leave Alaska: "Right now we are in the midst of contentions in this little town that make us heartsick. The one thing wanting is Christian charity. In fact, we are more truly heathen than the Natives..."

Four years after the ruling, the Alaska Native Brotherhood was founded by Sheldon Jackson graduates, with Rudolph Walton as a charter member. *Davis v. Sitka School Board* could have hardly gone unnoticed by the founders of the ANB, intent as they were on achieving full citizenship. If nothing else, the case proved that Alaska Natives could not rely on the good will of their white neighbors, and that to achieve social justice it would take collective action by Alaska Natives for Alaska Natives.

#### Page 14 – THE PAUL BROTHERS

William Sr. and Louis Paul both graduated from Sheldon Jackson school and then the Carlisle Indian School in Pennsylvania, where they came under the influence of Col. Richard Henry Pratt, founder of Carlisle and a Civil War veteran. Pratt championed the right of Native Americans to citizenship. Both Paul brothers attended Whitworth, a Presbyterian college then located in Tacoma, Washington, from which William graduated. Louis also attended Chemawa, a BIA school in Oregon, and then a business school in Portland, Oregon. Louis Paul was elected ANB Grand Camp President in 1920, 1921, 1927 and 1939. William Paul Sr. was elected ANB Grand Camp President in 1928, 1929, and 1955. Both were leaders in the fight for Indian citizenship and equal rights.

In 1923, William Paul Sr. took on the Charlie Jones case at the urging of his mother, Tillie Paul Tamaree, a tireless advocate of Native rights and one of the great Native women of her time. According to the indictment against her, Tamaree had "aided and abetted" Charlie Jones, a respected Tlingit elder living in Wrangell, in voting in a municipal election, which led to the arrest of both Jones and Tamaree. Her son William won the case and, by doing so, the right to vote for all Alaska Natives. William Paul Sr., the first, and, in those years the only, Alaska Native lawyer, went on to become the first Alaska Native elected to the Territorial legislature (1924).

The Shee Atiká Board of Directors has honored the memory of the late William Paul, Sr. by creating an award in his name that is periodically presented to an individual or group for outstanding service to Shee Atiká and its shareholders. (See "Awards," page 107.)

#### PAGE 15 – TLINGIT-HAIDA CLAIMS

In his unpublished manuscript, John Borbridge Jr., five-time president of the Cen-

tral Council of Tlingit and Haida Indian Tribes of Alaska, and later first president/CEO of Sealaska Corporation, points out that from the earliest days of contact with Euro-Americans, the Native people asserted original ownership to all of Southeast Alaska. Successful in confining Russians to isolated outposts, the Native people of Southeast began losing ownership rights after the mid-1800s “...in the face of a rising tide of explorers, adventurers and trappers who coveted their lands, waters and resources,” Borbridge writes. “Soon after 1867 [following the purchase by the United States of Russian interests in Alaska], tribal leaders met in Hoonah to protest the ‘illegal sale’ of Alaska by Russia to the United States. The Tlingit and Haida then initiated a new strategy initiative by communicating with leaders of the United States Congress and Administration, sending representatives to Washington, D.C., (and) hiring attorneys... They laid the groundwork for the Tlingit and Haida claims and blazed the trail for a land claims settlement.”

The blazed trail led to the 1929 Grand Camp Convention of the ANB in Haines where the delegates adopted a resolution to press for restitution from the U.S. government for lost lands and rights. This started a process that ultimately required federal legislation. A bill had to be authorized by Congress that would permit the Native people of Southeast to file a lawsuit against the U.S. government in the U.S. Court of Claims.

At first opposed by Department of Interior officials within the Bureau of Indian Affairs, little progress was made until after Franklin Roosevelt was elected president in 1932. Under the new Democratic administration, the Department of Interior reversed its opposition to the legislation. With Interior’s support, Congress passed the *Tlingit Haida Jurisdictional Act*, which became law in June 1935. This allowed the Tlingit and Haida people to bring a lawsuit before the U.S. Court of Claims. As Borbridge explains in his manuscript, “The

Tlingit and Haida lawsuit was not about recovering title to land wrongfully taken by the United States. Instead it was intended to recover compensation for the value of lost lands and fishing rights.”

Although the Roosevelt-appointed officials at the Department of Interior were sympathetic, at lower levels of the bureaucracy opposition to Tlingit-Haida ambitions was implacable. The Office of Indian Affairs (later the Bureau of Indian Affairs) insisted that the Alaska Native Brotherhood could not bring a lawsuit – that only a tribe could do so (conveniently ignoring the bald fact that there were no federally recognized tribes in Alaska at that time).

After years of delay, the lawsuit, *Tlingit and Haida Indians of Alaska v. United States*, was filed in 1947. Two years later, attorneys I.S. Weissbrodt and David Cobb were retained, and successfully pressed the lawsuit to a conclusion.



## ORIGINAL SHAREHOLDERS OF SOUTHEAST ANCSA CORPORATIONS

Community	Corporation	Original Shareholders	
Angoon	Kootznoowoo Inc.	629	* Unverified.
Craig	Shaan-Seet Inc.	319	
Hoonah	Huna Totem Corp.	876	** Originally, there were 1,850
Hydaburg	Haida Corp.	565	Shee Atiká shareholders. Two
Juneau	Goldbelt Inc.	2,722	additional shareholders were
Kake	Kake Tribal Corp.	558	added: one in 1988 and the
Kasaan	Kavilco Inc.	120*	other in 2001.
Klawock	Klawock Heenya Corp.	508	
Klukwan	Klukwan Inc.	253	† While all Goldbelt and Shee
Saxman	Cape Fox Corp.	196*	Atiká shareholders are at-
Sitka	Shee Atiká Inc.	1,852**	large Sealaska shareholders,
Yakutat	Yak-Tat Kwaan Inc.	342*	“Sealaska at-large” repre-
<b>Subtotal</b>	<b>Village/Urban</b>	<b>8,940</b>	sents those who only enrolled
	Sealaska at-large	3,203†	with Sealaska. “Landless”
	Other (“landless”)	3,640	describes at-large Sealaska
<b>Total</b>	<b>Sealaska Region</b>	<b>15,783</b>	shareholders who lived in
			Southeast Alaska communi-
			ties excluded from ANCSA.

These figures state the numbers of “original shareholders,” not the actual number of people who now hold shares—a number that continues to expand through the inheritance or gifting of shares. The original shareholder figures remain useful in determining actual shares outstanding for each corporation, which is always a multiple of 100 since each original shareholder received 100 shares. The original village and urban corporation shareholders were also given 100 shares each of Sealaska stock, but other at-large and “landless” shareholders only hold stock in the regional corporation. There have been some adjustments to enrollment figures over the years (see Endnote: “ANCSA Enrollment,” page 92) leading to minor differences between the records of village/urban corporations and those of the regional corporation.

The first phase of the Tlingit-Haida case was decided in 1959, when the U.S. Court of Claims found that there had been a taking of property for which the Native people of Southeast were entitled to compensation. The second phase, which determined the compensation owed by the United States, was decided by the U.S. Court of Claims on January 19, 1968.

Compensation was based on the estimated fair market value of the property at the time of taking. There were two problems with this: determining fair market value for property that was never exposed to the market, and determining when the property was taken.

The court restricted the time of taking to the first decade of the 20<sup>th</sup> century when the Tongass National Forest was created. The court determined that because hemlock, the dominant timber species in Southeast Alaska, had been in oversupply at the time of taking, the land claimed by Tlingits and Haidas, almost entirely timberland, held little value.

A majority of the judges on the U.S. Court of Claims, after considerable discussion, determined that, although the Native claimants had status as land owners, they had suffered no compensable loss for lost fishing resources because they had no superior right to fish in navigable waters. The legal basis for this conclusion was that under United States law “there is no property right in any private citizen or group to wild game or to freely swimming migratory fish in navigable waters.”

In addition to ignoring fisheries, the award decision also ignored any values relating to gold mining or logging on the lands that had been taken from the Tlingit and Haida people by the federal government. The tortured nature of the ruling was captured by the dissenting judge, Nichols, who wrote: “No doubt... as the court says, no one owns or can own any exclusive fishing rights in navigable water, other than, perhaps, relating to shellfish. [But] I would have supposed that one who owned, as plaintiffs here did, all the vast lands bor-

dering on so many sounds, bays, and coves, teeming with fish, would have enjoyed such enormous advantages over others in exploiting the fisheries thereon that willing buyers would have paid enhanced prices for the land, even if they could obtain therewith no ownership in the fish. A person owning a building on Fifth Avenue might claim it was worth more because of its favorable location without thereby asserting any proprietorship in the vehicular and pedestrian traffic daily passing by his door.” (See Price, Robert E., *The Great Father in Alaska: The Case of the Tlingit and Haida Salmon Fishery*, [1990], p. 100.)

There were two important victories for the Native claimants in an otherwise disappointing decision: the recognition by the court of aboriginal title, and the finding that there remained 2.6 million acres in Southeast Alaska—land that had not been included in the Tongass National Forest or the Glacier Bay National Monument—to which the Native people still had a potential claim. By retaining a claim to land for which they had not been compensated, the Native people of Southeast were aided in their efforts to secure a role for themselves in the much larger statewide Alaska Native claims settlement movement.

#### Page 17 – ALASKA NATIVE RESPONSE TO STATEHOOD

Following World War II, the long-faltering Alaska statehood movement achieved renewed momentum that culminated in the passage of the Alaska Statehood Act in 1958. Alaska entered the Union as the 49th state on January 3, 1959.

Throughout the statehood movement, the Alaska Native Brotherhood, supported by the fund-raising efforts of the Alaska Native Sisterhood, maintained an active presence in Congress by sending delegations to Washington, D.C., and through the attorneys, lobbyists, and national organizations working on the ANB's behalf. In retrospect, the ANB/ANS provided

a hugely important service for all Alaska Natives during the drive for statehood, a period that was extraordinarily perilous for Alaska Native claims.

On the national scene, political forces were arrayed against Native Americans in what became known as the Termination Movement (an effort to dissolve the special relationship of tribes with the U.S. Government). At the same time, two lawsuits working their way through the U.S. Court of Claims sought compensation for lands and rights taken from the Tlingit and Haida people: one, pursued by William Paul Sr. and his sons, Bill Jr. and Fred (*Tee-Hit-Ton v. United States*) and the other by the ANB Executive Committee (*Tlingit and Haida Indians v. United States*) – see preceding Endnote. Both were predicated on aboriginal title, a concept just then under fierce political attack.

Since no treaties had been signed with Alaska Natives, aboriginal title had not been recognized, and it remained very much in doubt that Natives were due compensation for anything. Court decisions for both cases eventually supported the rights of Alaska Natives to make claims based on aboriginal title, and while the decisions were to prove important, the effects of both cases might well have been rendered moot by Congressional action.

From 1951 through 1955, political interests adverse to Alaska Natives introduced legislation in Congress to extinguish aboriginal title without compensation, while politicians supportive of Alaska Natives countered with legislation that, in retrospect, would have resulted in settlements amounting to millions of dollars and, at most, hundreds of thousands of acres rather than the nearly one billion dollar and 44 million acre settlement effected by the Alaska Native Claims Settlement Act of 1971.

The successful defense of aboriginal claims by the ANB and its allies deflected, delayed, and in some cases defeated adverse legislation, holding the line until the national political climate became more favorable to Native



Americans. As a result, Congress accepted a disclaimer section to the Alaska Statehood Act of 1958 that served to maintain rather than circumscribe aboriginal claims.

It was the ANB/ANS that launched the Alaska Native claims movement at the Grand Camp Convention in 1929. Thanks to the organization's persistent efforts to protect Alaska Native interests during the Alaska statehood movement, Alaska entered the Union as a state with aboriginal claims intact and with the stage set for the Alaska Native Claims Settlement Act (ANCSA) of 1971 and, subsequently, the Alaska National Interest Lands Conservation Act (ANILCA) of 1980.

For a more complete analysis of this period, see "The Sword and the Shield," an essay by the author, available as a pdf on the Alaska Native Knowledge Network website (see [www.ankn.uaf.edu](http://www.ankn.uaf.edu)) and use the search function to locate the essay).

#### Page 21 – ALASKA NATIVES AND THE LAWS OF THE UNITED STATES

Alaska Natives had legal claims to land and rights that had been neither fully recognized nor extinguished by the time Alaska became a state in 1959.

The "Treaty of Cession," by which the United States purchased Russian interests in Alaska, included this brief provision for Alaska Natives: "The uncivilized tribes will be subject to such laws and regulations as the United States may, from time to time, adopt in regard to the aboriginal tribes in that country."

Congress provided slightly more definition to Native rights in the Alaska Organic Act of 1884: "The Indians... shall not be disturbed in the possession of any lands actually in their use and occupation or now claimed by them."

One of the most important statements of Alaska Native property rights is found in Section 4, also known as the "disclaimer section," of the Alaska Statehood Act of 1958: "[The

people of Alaska] forever disclaim all right and title to any lands or other property not granted or confirmed to the state [by the federal government]... and to any lands or other property (including fishing rights), the right or title to which may be held by any Indians, Eskimos, or Aleuts (hereinafter called natives) or is held by the United States in trust for said natives; that all such lands or other property, belonging to the United States or which may belong to said natives, shall be and remain under the absolute jurisdiction and control of the United States until disposed of under its authority..."

The Statehood Act granted the new state of Alaska the right to select 105 million acres from a landmass of approximately 365 million acres. Despite Section 4 of the act, the new state began selecting lands used and occupied by Alaska Natives. The federal government had also ignored the aboriginal rights of Alaska Natives when planning for projects like dams, roads, or military installations.

The encroachments by the state and federal governments compelled Native leaders to form, in 1966, the Alaska Federation of Natives. An informal "land freeze," declared by Secretary of Interior Stewart Udall late in 1966 stopped oil and gas leasing and other federal uses of public land in Alaska. Udall made the freeze official in December 1968, shortly before Richard Nixon became president, withdrawing 262 million acres of "unreserved public lands in Alaska" from selection by the State of Alaska until Native claims were settled. North Slope oil became a factor in the push for a settlement of Native claims after the State of Alaska held an oil lease sale in 1968 that brought in almost \$1 billion.

#### Page 21 – ALASKA NATIVE CLAIMS SETTLEMENT ACT

The Alaska Native Claims Settlement Act that was signed into law on December 18, 1971, by Pres. Richard Nixon, extinguished claims to "...all aboriginal titles, if any, and claims

of aboriginal title in Alaska based on use and occupancy, including submerged land underneath all water areas, both inland and offshore..." (ANCSA Section 4[b]).

In return, Alaska Natives were to receive almost \$1 billion dollars in compensation and title to approximately 44 million acres of land.

According to author Norman A. Chance in *The Inupiat and Arctic Alaska: An Ethnography of Development* (1990), important settlement components — large land conveyances, generous cash payments, and a corporate structure — were established in early negotiations with Alaska Natives. The 1967 state/AFN Land Claims Task Force report recommended conveyance to Alaska Native villages of 40 million acres in fee simple (full legal ownership); that at least \$65 million be paid to Alaska Natives from oil lease revenues; and that the settlement be carried out by business corporations organized by villages and regions.

Natives had framed the demand for large land conveyances as necessary to continue traditional subsistence practices. The cash component grew substantially after the State of Alaska received \$900 million for North Slope oil leases in November of 1968 — an amount of money that was quite astonishing at the time. The proposed corporate structure, however, threatened the unity of the Alaska Federation of Natives. To many Native leaders, the alternative appeared to be the continuation of a subservient relationship with the U.S. government. According to Chance, "Some AFN leaders, including (Central Council President) John Borbridge Jr., were drawn to the suggestion that land previously held communally, would be adapted to modern conditions by utilizing a corporate approach. Furthermore, Don Wright, then AFN president, was informed that any proposed AFN alternative involving traditional governments or Indian Reorganization Act [IRA] Councils would be actively discouraged by Congress. Thus, while some argued for the corporate scheme, other AFN leaders merely felt obliged to support it."



Even with the relatively large land conveyances, the Native leadership was not convinced there was adequate protection of subsistence practices. Under intense lobbying by the AFN, key legislators agreed to address the issue later, which they did in the Alaska National Interest Lands Conservation Act of 1980. "Rural residents" of Alaska were given priority in ANILCA to fish and game in time of need. Exactly who qualifies as a rural resident has inflamed Alaskan politics ever since.

The problems of adapting the corporate structure to traditional Alaska Native culture were at least partially addressed in the "1991 Amendments" (enacted in 1988), which preserved Native ownership of the ANCSA corporations by, among other changes, continuing the restriction on the sale of ANCSA stock beyond 1991, and allowing Native corporations to transfer assets into protective trusts.

An issue that remains unresolved is the extent to which Alaska Native sovereignty exists. It is now clear that ANCSA extinguished certain elements of sovereignty, especially those related to land, but Alaska tribal governments continue to assert sovereignty in other matters.

#### Page 23 – THE ALASKA NATIVE FUND

As directed under ANCSA, Sec. 6(a), "There is hereby established in the United States Treasury an Alaska Native Fund..." The U.S. Treasury established the fund with the congressionally approved appropriation of \$462.5 million. Full funding was assured through a provision of the act that required deposit into the fund of an additional \$500 million in royalties from oil and gas, minerals, rents and other receipts from state and federal land in Alaska. A schedule of payments was established to distribute these funds according to enrollment within each region (i.e., on a per capita basis).

Section 7(a) established the regional corporations. Section 7(i) set up a revenue sharing provision that required each of the regional corporations to contribute 70 percent of all

revenues received from timber resources and subsurface estate (i.e., oil, sand and gravel, and minerals) to a fund that would be redistributed to the regionals on a per capita basis.

Section 7 also established the formula by which regional corporations were to distribute the revenues received from the Alaska Native Fund and the 7(i) fund, instructing the regionals to share the revenue "among the Village Corporations in the region and *the class of stockholders who are not residents of those villages...*" (emphasis added).

The shareholders of the four urban corporations fell within the definition "stockholders who are not residents of those villages." So did those shareholders who had no local corporation in which to enroll and were enrolled only in regional corporations. During the first several years following the enactment of ANCSA, these "at-large" shareholders received direct payments from the Alaska Native Fund, while those enrolled in village corporations received nothing unless some of the per capita fund distributions were passed on to shareholders by their village corporations.

Being cut out of ANF payments nearly ruined the four urban corporations before they had a chance to get started. By contrast, village corporations used the revenues for start-up and administrative expenses.

As hard as it was for urban corporations, their shareholders enjoyed a decided advantage over village corporation shareholders, especially during the period when the Alaska Native Fund distributions were being made (1974-1982). In those years, at-large shareholders holding 100 shares each received \$5,427.89 of ANF funds in checks issued by Sealaska, the regional corporation. Almost half of that came in one distribution of \$2,513.69 (per 100 shares), issued by Sealaska on July 28, 1980.

Through May 2011, a Shee Atiká shareholder holding 100 Sealaska shares has received a cumulative total of \$31,977.22 (or \$320

per share) in ANF, Section 7, and corporate distributions issued by Sealaska since 1974. By contrast, a similar village corporation shareholder has received less than half that amount unless their corporation chose to pass on a portion of the amounts received from ANF and 7(i) distributions. (These figures were provided courtesy of Sealaska Corporation.)

#### Page 25 – ANCSA ENROLLMENT

Enrollment in ANCSA corporations was limited to Alaska Natives as defined in Section 3(b): "Native means a citizen of the United States who is a person of one-fourth degree or more Alaska Indian (including Tsimshian Indians not enrolled in the Metlakatla Indian Community), Eskimo, or Aleut blood, or combination thereof. The term includes any Native as so defined, either or both of whose adoptive parents are not Natives. It also includes, in the absence of proof of a minimum blood quantum, any citizen of the United States who is regarded as an Alaska Native by the Native village or Native group of which he claims to be a member and whose father or mother is (or, if deceased, was) regarded as Native by any village or group. Any decision of the Secretary regarding eligibility for enrollment shall be final."

All persons who qualified as Alaska Native could enroll in a regional corporation (including the 13th Regional Corporation if they lived outside of Alaska), but residency was especially important in determining whether an Alaska Native would belong to a village/urban corporation as well as the regional corporation. Alaska Natives who were not enrolled with a village corporation became "at-large" shareholders of their respective regional corporations.

ANCSA Section 5(b) provided exceptions for Natives who were not residing in the region of their choice when the roll was prepared, prioritizing enrollment in the following order: 1) the region where the Native had resided at the time of the 1970 census (defined as April 1, 1970); 2) the region where the Native had



resided for 10 years or more; 3) the region where the Native was born; and 4) the region in which an ancestor was born.

Alaska Natives initially enrolled based on the location of their “permanent residence.” This was defined by federal regulation as “...place of domicile on April 1, 1970, which is the location of the permanent place of abode intended by the applicant to be his actual home... a Native may be enrolled in a different region when necessary to avoid enrolling members of the same family in different regions or otherwise avoid hardships” (Federal Register, Vol. 37, No. 24, February 1, 1972).

The distinction between an Alaska Native’s residence on April 1, 1970, and the place he or she considered home was clarified several weeks later by a change in the regulation: “It (the permanent residence) is the center of the Native family life... to which he has the intent to return when absent from that place... A region or village may be the permanent residence of an applicant on April 1, 1970, even though he was not actually living there on that date, if he has continued to intend that place to be his home” (Federal Register, Vol. 37, No. 53, March 15, 1972; for the applicable federal regulation see 25 CFR Sec. 43h.1[k]).

“When all [the applications were] compiled, we wrote to individuals,” recalled John Hope, who headed up the enrollment project for the Bureau of Indian Affairs. “In the top right-hand corner, this is where we put the community of enrollment. If you disputed this, you had to let us know within a, I believe, 30-day time limit. If you did not dispute, you ended up [in the community listed]. If Sitka was your choice, we went there to determine if they knew you or not. If they disputed, [the applicant] could still end up there.”

Few of the people who had the opportunity to choose between where they were living and where they came from could have predicted the consequences of such decisions.

The first enrollment was conducted under the provisions of the ANCSA (Public Law 92-203). Qualified Alaska Natives who failed to enroll the first time got a second chance under Public Law 94-204, passed in 1976. In the Sealaska region, an additional 446 shareholders enrolled under PL 94-204, adding three percent to the total enrollment. Adjustments to the rolls have been made since then through court action and legislative means.

#### Page 27 – NAMING SHEE ATIKÁ

Shee Atiká is a modern spelling of the original Tlingit word for Sitka (*Shee Atiká* - or sometimes *Sheetka*) Kwáan. A kwáan is vaguely akin to tribe, but is more accurately defined as a geographical area where several clans lived in close association with one another. There are several versions of the etymology, or linguistic origin, of Shee Atiká, but most agree that its literal meaning is “people of the outer branch or edge,” the perceived shape of that part of Baranof Island occupied by early Tlingits. Herman Kitka cites a slightly different version, one that suggests the prefix “Shee” comes from the Tlingit place name for Kalinin Bay on the north end of Kruzof Island.

#### Page 29 – KATLIAN BAY

The 3,000-acre Katlian Bay selection was Shee Atiká’s first land nomination. According to founding director Buck Carroll, the reason for selecting the land was because of its potential real estate value. The timber on the Katlian land had been recently harvested, but at the time the board made the selection, a road extension north of Sitka was planned that would provide access to the land. The road has yet to be built.

The Katlian conveyance was reduced by approximately 40 acres when Alice and Charcoal islands were conveyed to Shee Atiká as provided by ANILCA Section 1434.

#### Page 29 – LAND SELECTION

The participation of Southeast Alaska Natives in the statewide settlement of Alaska Native claims was a near thing. Emil Notti, president of the Alaska Federation of Natives (AFN), presided at the meeting when the issue was debated, which he remembers as occurring in early 1968. “At the time, we had a 25-person board,” Notti recalls. “We had a hot argument; even our lawyers were jumping in, and finally we had to clear the room and have an executive session. The argument against including [the Tlingit-Haida people] was that they already had a settlement, and that including them would weaken our position. The argument in favor was that they didn’t get a fair settlement. We wanted to help them get a fair settlement, and with them there would be strength in unity.” A vote was held, the board split down the middle, and Notti cast the vote that broke the tie. The Tlingit and Haida people were included in the statewide claims effort.

Even though the judicial resolution of the Tlingit and Haida claims was neither fair nor comprehensive, it was the primary reason why the 12 village/urban corporations of Southeast were entitled to each receive only one township (23,040 acres – a number that increased slightly for several corporations, including Shee Atiká, through later land exchanges); all other Alaska village corporation land entitlements were based on village populations. If the same formula had applied to Southeast, Shee Atiká would have received 161,280 acres and collectively the twelve Southeast Alaska village/urban corporations would have received conveyance of approximately 1.6 million acres, not including Sealaska’s entitlement.

According to Sealaska’s 2010 annual report, the village and urban corporations within the Sealaska region have received 278,100 acres and expect a total conveyance of 286,400 acres. Sealaska has received title to approximately 290,800 acres of an expected total conveyance of 375,000 acres. Upon comple-







tion of conveyances, Sealaska and the ANCSA corporations within its region will hold title to approximately 661,400 acres.

The key provision affecting urban corporations' land conveyance rights is ANCSA Section 14(h)(3), which required the Secretary of the Interior to convey to urban corporations "... not more than 23,040 acres of land, which shall be located in reasonable proximity to the municipalities."

A regulation (43 Code of Federal Regulations 2653.7) issued shortly after the passage of ANCSA defined what "reasonable proximity" meant and established a procedure for the selection process: "The corporations representing the Natives residing in Sitka, Juneau, Kenai and Kodiak shall nominate not less than 92,160 acres of land *within 50 miles* of each

of the four named cities which are similar in character to the lands in which each of the cities is located. After review and public hearing, the Secretary shall withdraw up to 46,080 near each of the cities from the lands nominated. Each [urban corporation] may select not more than one half of the acres withdrawn for selection by that corporation. The Secretary shall convey the area that is finally selected." (Emphasis added.)

The nomination process commenced on April 12, 1974, when the Bureau of Land Management (BLM) of the U.S. Department of Interior sent letters to all four urban corporations explaining the process of nominating lands for selection under ANCSA Section 14(h)(3).

Most of the activity related to the filing of nominations by Goldbelt and Shee Atiká

took place in the first three months of 1975. In early February, representatives of Goldbelt, Shee Atiká, and Sealaska met with BLM and U.S. Forest Service officials in Juneau, at which time the two urban corporations presented their proposed land nominations on Admiralty Island. Shee Atiká and Goldbelt officially filed for lands near Hood Bay and Cube Cove, respectively, with the Alaska office of the BLM on February 28, 1975. A week later Goldbelt requested a waiver of the regulation that restricted nominations to within a 50-mile radius of Juneau. BLM Alaska concurred with the request and the U.S. Secretary of the Interior waived the regulation on May 20, 1975, allowing Goldbelt to move its nomination from the Cube Cove area to lands more than 60 miles from Juneau that were adjacent to nominations by Kootznoowoo and Shee Atiká.

CHRONOLOGY OF LITIGATION

[From page 42]

November 1975  
*Shee Atiká v. Kleppe*, brought by Shee Atiká contesting the U.S. Secretary of Interior's refusal to withdraw Chaik Bay for selection by Shee Atiká.

December 1975  
*Kootznoowoo Inc. v. Kleppe*, brought by Kootznoowoo challenging the withdrawal of land on Admiralty Island for selection by Goldbelt and Shee Atiká.

August 1981  
Sierra Club/Angoon files appeals to federal agencies—the Interior Board of Land Appeals, and the Alaska Native Claims Appeals Board—to block conveyance of lands to Shee Atiká.

December 1981  
The Interior Board of Land Appeals and the Alaska Native Claims Appeals Board dismiss claims and approve conveyance to Shee Atiká.

December 1981  
Shee Atiká receives interim conveyance of Cube Cove lands.

March 1982  
*Sierra Club v. Watt* filed in U.S. District Court in Washington, D.C., appealing conveyance of Admiralty lands to Shee Atiká.

April 1982  
Shee Atiká issued Corps of Engineers 404 and Alaska Department of Environmental Conservation 401 permits for log transfer facility at Cube Cove. (These permits were requirements of the federal Clean Water Act.)

May 1982  
Sierra Club requests administrative hearing on state 401 permit certification.

June 1982  
Sierra Club files lis pendens (notification of suit pending) based on *Sierra Club v. Watt*.

October 1982  
Shee Atiká starts logging at Cube Cove log transfer facility site.

November 1982  
Sierra Club obtains temporary restraining order against Shee Atiká in a new lawsuit, *Sierra Club v. Alaska Department of Environmental Conservation*, stopping logging at Cube Cove.

November 1982  
Shee Atiká's negotiated commitment for a \$20 million loan from Travelers Insurance Co. fails because of cloud on title due to lis pendens.

December 1982  
Shee Atiká seeks congressional remedy. Congress attaches rider to appropriations bills (PL 97-394, Section 315) that reaffirms conveyance of Admiralty properties.

January 1983  
Sierra Club files *Sierra Club v. Alaska Department of Natural Resources* challenging Shee Atiká's notice regarding timber harvesting.

January 1983  
Sierra Club files *Angoon v. Marsh* in Alaska U.S. District Court seeking declaratory and injunctive relief to prohibit logging in Cube Cove.

February 1983  
Alaska Superior Court extends temporary restraining order to an injunction against Shee Atiká, prohibiting logging until 401 appeal completed. (*Sierra Club v. ADEC*)

March 1983  
Dept. of Environmental Conservation holds administrative hearing on 401 certification.

March 1983  
U.S. Army Corps of Engineers agrees to withdraw 404 permit for Cube Cove log transfer facility and conduct environmental impact statement pursuant to stipulation in *Angoon v. Marsh*. This stops development of the Cube Cove log transfer facility.

March 1983  
*Shee Atiká v. Sierra Club* filed by Shee Atiká seeking declaratory, injunctive, and monetary relief from Sierra Club.

April 1983  
*Shee Atiká v. Sierra Club* filed by Shee Atiká seeking additional declaratory relief confirming Shee Atiká's title at Cube Cove.

May 1983  
Shee Atiká starts timber operations on Admiralty.

August 1983  
State Department of Environmental Conservation commissioner issues decision confirming 401 certification to Shee Atiká.

To summarize, Goldbelt included the Cube Cove area of Admiralty Island in its initial nominations, while Shee Atiká nominated land in the Hood Bay area of Admiralty just south of Angoon. Goldbelt was then allowed to select land in the Mitchell Bay area adjoining the selections of both Shee Atiká and Kootznoowoo. In 1977, Goldbelt relocated its selections to Hobart Bay and vicinity on the mainland 70 miles south of Juneau. Later still, Shee Atiká opted to relocate its selections 30 miles north of Hood Bay and select the lands at Cube Cove.

### Page 30 – THE 50-YEAR SALE

The 50-year sale referred to in the text was the contractual agreement between the U.S. Forest Service and Alaska Pulp Corporation, signed in

the mid-1950s, that provided a 50-year supply of timber for the Sitka-based pulp company. The area covered by the agreement included land on Kuiu, Baranof and Chichagof islands. After APC closed its Sitka pulp mill in 1993, the U.S. Forest Service cancelled the 50-year contract. Another 50-year contract, between Ketchikan Pulp Company and the U.S. Forest Service, signed in the same era, involved large tracts of timber on Prince of Wales Island and vicinity. The Ketchikan pulp mill closed in 1997, and that 50-year contract was cancelled by mutual agreement in 1999.

### Page 33 – CHAIK BAY

Shee Atiká included in its initial nomination 4,000 acres of timber in Chaik Bay, on southwest Admiralty Island. Former corporate

consultant and executive director Warren Weathers described the timber there as some of the best in Southeast Alaska. “The spruce in Chaik was just beautiful, on easy ground, well drained. The selection was contiguous with Hood Bay,” Weathers said.

The Secretary of Interior refused to withdraw Chaik for selection. Shee Atiká hired attorney Edward Weinberg, a former solicitor general for the U.S. Department of Interior, who filed the lawsuit *Shee Atiká v. Thomas S. Kleppe* (U.S. Secretary of Interior), in the U.S. District Court for the District of Columbia on November 25, 1975. The lawsuit alleged that the withdrawal area (the 46,080 acres withdrawn for Shee Atiká’s final selection) “...did not include substantial portions of the lands nominated...” (i.e., Chaik Bay), and that the lands actually withdrawn “...were of far lessor value to [Shee



September 1983  
Shee Atiká applies for permit under Section 402 of the federal Clean Water Act—first ever required for a logging operation in the U.S.

September 1983  
Shee Atiká moves crews and equipment to Admiralty for logging.

September 1983  
Sierra Club appeals Department of Environmental Conservation commissioner’s decision regarding 401 certification to state Superior Court: *Angoon v. DEC*.

September 1983  
Sierra Club appeals Water Right Application of Shee Atiká.

November 1983  
U.S. Senate oversight hearings into Sierra Club’s efforts against Shee Atiká.

March 1984  
Preliminary injunction issued against Shee Atiká in *Angoon v. Marsh*. Logging and road building stopped.

March 1984  
Sierra Club removes lis pendens against Shee Atiká’s title.

April 1984  
U.S. District Court rules 402 permit needed for log transfer facility, in *Angoon v. Marsh*.

April 1984  
Shee Atiká issued long-term tidelands lease from state Department of Natural Resources for construction of log transfer facility.

April 1984  
U.S. District Court issues injunction prohibiting Shee Atiká from developing its lands, in *Angoon v. Marsh*.

May 1984  
Shee Atiká appeals District Court preliminary injunction ruling of April 1984 to 9th U.S. Circuit Court of Appeals.

June 1984  
Court awards attorney fees to Shee Atiká in *Shee Atiká v. Jeffers*.

October 1984  
U.S. Army Corps of Engineers issues final environmental impact statement on Shee Atiká’s log transfer facility and NPDES (National Pollutant Discharge Elimination System) permit.

November 1984  
Shee Atiká sells and ships half cargo of logs from Admiralty Island.

December 1984  
9th U.S. Circuit Court overturns preliminary injunction in *Angoon v. Marsh*.

February 1985  
U.S. Army Corps of Engineers issues 404 permit for log transfer facility.

February 1985  
Superior Court upholds state DEC commissioner’s decision regarding 401 certification in appeal, *Angoon v. DEC*.

March 1985  
U.S. District Court consolidates *Angoon v. Marsh*, *Shee Atiká v. Sierra Club* and *Sierra Club v. Watt* into one case—*City of Angoon v. Hodel*.

March 1985  
U.S. Environmental Protection Agency issues draft 402 permit for log transfer facility.

April 1985  
Sierra Club files consolidated complaint seeking declaratory and injunctive relief

against federal government and Shee Atiká.

May 1985  
Summary judgment motions filed regarding subsistence and Section 22(k) provisions of ANCSA in *City of Angoon v. Hodel*.

June 1985  
U.S. Environment Protection Agency issues 402 permit to Shee Atiká for log transfer facility.

August 1985  
Shee Atiká files request for evidentiary hearing regarding the NPDES (National Pollutant Discharge Elimination System) permit.

October 1985  
U.S. District Court rules in favor of Shee Atiká on subsistence and 22(k) summary judgment motions filed in *City of Angoon v. Hodel*.

March 1986  
9th U.S. Circuit Court denies Sierra Club appeal of *City of Angoon v. Hodel*.

October 1987  
U.S. Supreme Court denies further review, effectively ending all litigation.