



- COMPETITIVE
- EXCEPTIONAL VALUE
- OPPORTUNITIES FOR ALASKANS

FACT SHEET: THE ALASKA NATIVE CLAIMS SETTLEMENT ACT (ANCSA)

A Landmark Agreement

- The Alaska Native Claims Settlement Act (ANCSA) is a legal agreement between the Federal Government and Alaska Natives. Congress passed the Act December 18, 1971.
- Congress was motivated to settle Native land claims, in part, so it could clear title for a trans-Alaska oil pipeline.
- Under ANCSA, all Alaska Natives relinquished claims to their ancestral lands in exchange for a settlement of just under \$1 billion and about 44 million acres – a little more than 10 percent of the landmass of Alaska.
- The cash distribution and title to land was distributed to geographically based community-owned corporations, the owners of whom were Alaska Natives. This corporate model was new and promoted as the way to provide Natives with economic empowerment and self-determination.

Alaska Native Corporations: a Ground-Breaking Model

- The Act created 13 regional and more than 200 village Alaska Native Corporations (ANCs) as for-profit to manage the corporate assets and lands for Alaska's Natives.
- With ANCSA, Congress sought to empower Alaska's Native peoples by giving them control over their own corporations and lands. These corporations were created as private entities, free to make decisions without federal, state, or municipal government oversight, yet subject to the same federal and state laws that govern all other private corporations.

- Corporate stock was provided to every Alaska Native born on or before the passage of the Act based on cultural and family ties and who had registered under a regional or village corporation. Some ANCs have extended shareholder status to family members born after 1971. The stock cannot be sold.
- Unlike other corporations, ANCs have a fiduciary and cultural duty to provide for their owners in perpetuity. Some do this through periodic cash dividends based on the earnings of their business holdings. Others have focused on providing benefits in other areas, such as educational and vocational scholarships, language preservation, cultural camps, internships and employment opportunities.
- During the first 25 years following the passage of ANCSA, Native corporations struggled. Some failed, others merged together, while some went through bankruptcy or were barely profitable. Those with significant natural resources (such as oil or timber) were able to develop business interests dependent upon those resources.
- Only in the last two decades have some ANCs experienced success as Native people learned to succeed in the Western business world. The SBA's 8(a) program has played a transformational role in this success; yet many more ANCs are just now launching businesses to support their shareholders.