

February 9, 2024

Representative Thomas Baker
Chairman, House Special Committee on Arctic Policy
Economic Development and Tourism
State Capitol, Room 411
Juneau, AK 99801

Re: House Bill 291

Cama'i,

Old Harbor Native Corporation, established in 1971 under ANCSA, has grown from its original enrollment of 329 shareholders to over 500, reflective of our dedication to economic prosperity, educational empowerment, and the preservation of our Alutiiq culture and traditions. Our mission is deeply intertwined with the well-being of our shareholders and the protection of our lands and traditions.

It is with a sense of purpose and urgency that we extend our support for House Bill 291, and convey why this legislation is pivotal for the sustainability and empowerment of our community.

Our corporation, despite its limited staff, has tirelessly worked towards enhancing the quality of life in our community, from infrastructure projects like the construction of a new boat harbor and city dock to cultural initiatives such as the establishment of the Sitkalidak Bison Herd and culture camps. These endeavors are testament to our commitment to economic development and cultural preservation.

Under the current law, Alaska Native Corporations with more than \$1,000,000 in assets and 500 or more shareholders must file copies of their annual reports to their shareholders, as well as all "proxy solicitations," with the Division of Banking and Securities. This means that Alaska Native Corporations must file a whole host of documents with the Division of Banking and Securities, from copies of their audited financial statements and confidential shareholder communications to postcards and social media posts that do nothing more than remind shareholders of the annual meeting date or how to submit a proxy.

The filing of all of these documents impose additional costs in both time, money, and effort on the staff of smaller Village Corporations that are already overburdened with the wide variety of community and shareholder-oriented efforts. More significantly, all of these documents, including audited financial statements and annual reports that contain detailed and sensitive business and financial information are public record.

Notably, the 500 shareholder threshold that subjects Native Corporations to these requirements is based on the total number of shareholders, irrespective of the number of shares held. A shareholder with a single share, or even a fraction of a share, counts toward this 500 shareholder threshold. As such, Old Harbor Native Corporation, and other smaller Village Corporations, are becoming subject to these burdensome requirements solely through the natural dilution of their shares to the next generation through inheritance and gifting.

These unique regulatory requirements imposed on Alaska Native Corporations, including extensive information filings with the State of Alaska's Division of Banking and Securities, will place a

disproportionate burden on our operations. This administrative load will not only strain our limited resources but also divert our focus from pivotal community and economic development projects. Moreover, the public nature of these filings raises concerns about the potential misuse of this information, which could harm our community and Alaska Native people at large.

The efforts by some outside of Alaska to undermine the work and existence of Alaska Native Corporations add an additional layer of challenge. These attacks threaten not just our corporation but the welfare and future of our community and shareholders. They are able to use these public filings to unfairly attack Native Corporations, and the significant value and revenue they bring to the State of Alaska. No other private corporation in Alaska is subject to this public disclosure. Alaska Native Corporations are the only private corporations that are required to make public their confidential shareholder communications and audited financial statements.

House Bill 291 stands as a beacon of hope in this context. By reducing these administrative burdens and protecting the confidential financial information of Native Corporations, HB 291 will enable Village Corporations like ours to dedicate more of our resources to the economic and social well-being of our shareholders and descendants. This legislative relief is not just a matter of regulatory convenience but a critical step towards ensuring our ability to focus on what truly matters - supporting our community and preserving our way of life.

We commend Representative Wright for championing this issue and extend our gratitude to the committee for considering this essential bill. Your support for HB 291 will significantly impact our capacity to serve our community effectively and ensure our continued growth and cultural vibrancy.

Quyanaa for your time and consideration of these comments. Please do not hesitate to contact our office with any questions regarding our support of HB 291.

Best regards,



Carl H Marris
Chief Executive Officer