

**10-26-09
Presentation:
Economic Impact
of Native 8 (A)
Contracting**

<target><bill></bill><subject>10-26-09 Presentation Economic
Impact of Native 8 (A)
Contracting</subject><comm>HEDC26</comm></target>

Chair, House Judiciary
Chair, Economic Development,
Trade & Tourism
Energy
Joint Armed Services
Labor & Commerce
Oil & Gas
Military & Veteran Affairs

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Alaska State Legislature House of Representatives



Representative Jay Ramras
District 10

While in session
State Capitol, Room 118
Juneau, Alaska 99801-1182
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December 29, 2009

Senator Lisa Murkowski
709 Hart Building
Washington, DC 20510-0202

Senator Mark Begich
825C Hart Building
Washington, DC 20510

Congressman Donald E. Young
2111 Rayburn Building
Washington, DC 20515-0201

Re: Economic Impact of Native 8(a) Contracting

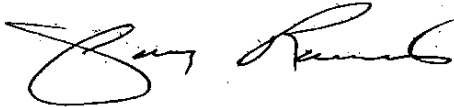
Dear Alaska Congressional Delegation Members:

Due to recent congressional hearings and proposed regulatory changes focusing on preferences for Alaska Native 8(a) contracts, the Alaska State Senate Special Committee on World Trade, Technology and Innovation, and the House Special Committee on Economic Development, International Trade and Tourism, together with the Bush Caucus held a hearing to address the economic impact of Native 8(a) contracting in Alaska. The committees took testimony from the Small Business Administration, the Alaska Federation of Natives, the Native American Contractors Association, and Regional and Village Corporations.

Attached to this letter is a record of this hearing documenting testimony on the history and the legal and equitable basis for the 8(a) program, as well as the importance of the program to the Native people of Alaska and the state.

As members of the Alaska State Legislature we thank you for your unwavering support for the Native 8(a) program. We are forwarding you a copy of the record of the October 26th hearing, hoping that it will assist you in your further support of this successful program.

Sincerely,



Representative Jay Ramras, Chair
Alaska State House Special Committee
on Economic Development, International Trade,
and Tourism

Enc. Committee Minutes
Alaska Federation of Natives Resolution 09-03
Afognak Native Corporation – Statement of Virginia Ward
Arctic Slope Regional Corporation letter of support
Bristol Bay Native Corporation letter of support
Doyon Limited letter of support
Sealaska statement

ALASKA FEDERATION OF NATIVES

2009 CONVENTION

RESOLUTION 09-03

TITLE: IN SUPPORT OF NATIVE AMERICANS' FULL PARTICIPATION IN THE SBA 8(a) BUSINESS DEVELOPMENT PROGRAM

WHEREAS: Congress has a legitimate interest in promoting the economic and political self-sufficiency of Native Americans as a way to fulfill the government's unique obligations toward Native Americans; and

WHEREAS: In hundreds of treaties with Indian tribes across the country, and through the Alaska Native Claims Settlement Act, the U.S. government committed to provide for the economic betterment of Native Americans and Alaska Natives, the majority of whom have been stripped of countless millions of acres of their Native lands; and

WHEREAS: Providing access to federal contracting opportunities to qualified Native companies provides critical incentives that stimulate economic growth in Native communities, provides economic opportunities for Native American enterprises, provides educational scholarships, and encourages a culture of entrepreneurship; and

WHEREAS: One of the most successful federal initiatives has been to include Native Americans (Indian tribes, Alaska Native Corporations and Native Hawaiian Organizations) in the Small Business Administration's 8(a) Business Development program; and

WHEREAS: Native American enterprises have struggled to break into the highly concentrated federal contracting marketplace, which is dominated by a handful of large companies, and only recently have some Native American enterprises become successful participants in the 8(a) program; and

WHEREAS: Alaska Native Corporations and tribal enterprises receive just over one percent (1%) of all federal contract awards, compared to the five largest federal contractors who received twenty (20%) of the contract dollars awarded in 2007; and

WHEREAS: Alaska Native Corporations and Tribal enterprises provide quality performance at cost efficient rates to federal customers, while they return significant benefits back to Native American communities, rendering the Native 8(a) program a rare example of a federal economic program that works; and

WHEREAS: Despite unwavering support from Alaska's Congressional delegation, there have been ongoing efforts by some members of Congress to repeal or significantly modify the Native 8(a) program based on biased information, and heedless of the federal government's unique obligations to Native Americans; and

WHEREAS: The Alaska Federation of Natives recognizes that the participation of Native Americans in the SBA 8(a) program has been an important tool in building a strong Native economy and continues to provide substantial benefits to their Native shareholders; and

NOW THEREFORE BE IT RESOLVED by the Delegates to the 2009 Annual Convention of the Alaska Federation of Natives that the Alaska Federation of Natives respectfully requests the continued support of Congress to maintain Alaska Native Corporations, Indian tribes and Native Hawaiian Organizations in the 8(a) program for the benefit of America's Native communities; and

BE IT FURTHER RESOLVED that the Alaska Federation of Natives strongly encourages the Small Business Administration to seek ways to promote and expand participation in the 8(a) program by Alaska Native village and regional corporations and tribally chartered businesses; and

BE IT FINALLY RESOLVED that the Alaska Federation of Natives strongly opposes any Congressional amendments, regulatory changes or other means to diminish, alter, denounce, or abolish the current provisions established in the federal procurement system allowing Native Americans to create economic development for the benefit of their respective Native communities.

SUBMITTED BY: BOARD OF DIRECTORS OF THE ALASKA FEDERATION OF NATIVES

CONVENTION ACTION: PASSED





Afognak Native Corporation
3909 Arctic Blvd., Suite 400
Anchorage, Alaska 99503
(907) 222-9500 • fax (907) 222-9501

November 20, 2009

Jane W. Pierson, Chief of Staff
Representative Jay Ramras
1292 Sadler Way, Ste. 324
Fairbanks, AK 99701

Dear Jane,

Attached please find testimony submitted by Virginia Ward, Chairwoman of the Board for Afognak Native Corporation, in support of the State Legislative Hearing that took place on October 26th regarding the SBA 8(a) Program.

If you need anything further, please do not hesitate to contact me at (907) 222-9594.
Thanks to you and Representative Ramras for your support on this issue.

Sincerely,

Jana M. Turvey
Vice-President of Corporate Affairs

**STATEMENT FOR THE
ALASKA STATE LEGISLATIVE HEARING JOINTLY HELD BETWEEN
HOUSE SPECIAL COMMITTEE on ECONOMIC DEVELOPMENT, TRADE &
TOURISM;**

**SENATE SPECIAL COMMITTEE on WORLD TRADE, TECHNOLOGY &
INNOVATION; and**

BUSH CAUCUS

on 8(a) CONTRACTING

Statement of Virginia Ward

Chairwoman, Afognak Native Corporation

Submitted for the record on November 19, 2009

Chairman Representative Ramras, Chairwoman Senator McGuire, and honorable members of the House Special Committee on Economic Development, Trade & Tourism; Senate Special Committee on World Trade, Technology & Innovation; and Bush Caucus, *cama'i* (hello). My name is Virginia Ward and I serve as the Chairwoman for the Board of Directors of Afognak Native Corporation. Thank you for the opportunity to provide written testimony for the hearing record, particularly the opportunity to provide important background on Afognak Native Corporation, its business operations, and its participation in the Small Business Administration's 8(a) program.

I am a shareholder of Afognak Native Corporation and am originally from the Old Village of Afognak, which was located on Afognak Island in the Kodiak archipelago in Alaska. The Village of Afognak was destroyed as a result of the great 1964 tsunami and earthquake that traumatized much of southcentral Alaska, the Aleutian chain and the panhandle region of the state. Following the destruction of our home, my family and I relocated to the Village of Port Lions on Kodiak Island. Even though we no longer live in the Old Afognak Village we, as a people, still identify ourselves as Afognak People. We are *Aq'wanermuit* "People of Afognak." This is our identity, our community, which spans cities, oceans, and countries. But no matter where we go, our foundation is set by the Alutiiq core values of harmony, appreciation and respect, efficiency, communication, and trust. These values guided the Alutiiq people for generations before us and they have provided the framework around which we structure our Corporation, as they are embedded in our Code of Conduct.

History of Afognak Native Corporation

Afognak Native Corporation (“Afognak” or “Corporation”) is a village corporation, organized under the principles of the Alaska Native Claims Settlement Act of 1971. Afognak was formed in 1977 through the merger of two Native Corporations, Port Lions Native Corporation and Natives of Afognak, Inc. Afognak is governed by a 9-member Native Board of Directors, all of whom are shareholders of the Corporation. Board members are elected by their fellow Native shareholders and serve 3-year staggered terms. As an Alaska Native Corporation, Afognak is responsible for meeting the economic, social, and cultural obligations to our approximately 750 shareholders, a congressional mandate we take very seriously. We are fulfilling this mandate by providing benefits to individual Shareholders and strengthening *Aq'wanermuit* “our community.” It is vital that these two areas co-exist because by unifying *Aq'wanermuit*, we develop a collective strength and by providing benefits to our individual Shareholders, we empower every Shareholder, their families and their descendants.

Afognak owns 160,000 acres of land in the Kodiak Archipelago, primarily on Afognak Island. In addition, we are the managing partner of the Afognak Joint Venture (“AJV”) which owns 130,000 acres of land also primarily on Afognak Island. The AJV is a partnership between Afognak and Koniag, Inc., and as managing partner, we are responsible for the use and care of these additional acres. Our lands represent our most valuable asset, and our Corporation and our Native people use our lands for culture, subsistence, and recreation activities as well as some limited opportunities for economic development. Prior to our involvement with the SBA 8(a) program, Afognak relied heavily on natural resource development, primarily the harvesting of timber on Afognak land. Over time, our Board of Directors recognized that the volatility of the international timber market, as well as the finite timber resources owned by Afognak, made timber harvesting an unsuitable long term economic development strategy for the Corporation. As the Board of Directors we hold a fiduciary responsibility to our shareholders to increase revenue and return profits and benefits back to our communities. To fulfill this responsibility, in 1998 and 1999 we began the due diligence process on government contracting and the opportunities for business development through the SBA 8(a) program. We were aware of a small number of other Native Corporations who were using the program to grow their businesses, and we believed we could model that success over time with the development of the Alutiiq family of companies.

As with many new business ventures, the creation of the Alutiiq companies had many challenges. Now, ten years after the first Alutiiq company was formed, we are both grateful and accountable for the blessings and responsibilities our success has bestowed upon our Corporation. We believe our unwavering commitment and a laser-like focus on measurable results and accountability has allowed our participation in the 8(a) program to prosper. As a result of our involvement, our Corporation was able to provide substantial benefits to our shareholders, descendants and the native community at-large during the period 2000-2009. Let

me say that again slightly differently –as the result of the work Afognak performed under the 8(a) program over the past nine years, we were able to substantially impact and in many cases, change the owners' lives by providing a multitude of benefits. I would like to provide a synopsis of the benefits we provided during the period 2000-2009.

Benefits

- Shareholder Equity: Afognak's Shareholders' equity, which is the total assets of the Corporation less the total liabilities of the Corporation, has grown **\$67,381,000** over the last eight years. However, our shareholder's equity, like all Alaska Native Corporations' (ANC) shareholder equity, is substantially different from that of any other corporation. As mandated by ANCSA, ANC shareholder equity cannot be sold. It is not a liquid asset for our shareholders. However, continuing to grow the Corporation strengthens the foundation and sustains the benefits we currently provide while also supplying resources to support and enhance our culture and traditions that may have otherwise been lost for future generations.
- Shareholder Dividends: Over the past nine years, a shareholder that owned 100 shares of stock received \$160,220 in dividends from the Corporation, which equated to Afognak paying out a total of over **\$80 Million Dollars** in dividends to our shareholders from 2000-2009.

A 2005 survey of Afognak Shareholders, which was commissioned by our Board of Directors, revealed that the average household income of our shareholders was estimated at \$45,000 per year. This is only \$19,180 above the 2007 U.S. poverty guideline of \$25,820 for a family of four in Alaska. This data strongly suggests that the dividends paid to Afognak shareholders over the last several years have had a significant, measureable effect on moving our shareholders out of poverty. Without the support of the Corporation, many Afognak shareholders would be in poverty. Even with Afognak's substantial dividends, many of our shareholders still live very modestly in rural Alaska. Afognak's success in building its businesses has allowed us to make a dramatic effect on our shareholders lives and particularly those living in our home village of Port Lions. Port Lions has no grocery store so all staples must be ordered and flown in by small aircraft or barged, where a gallon of gas costs almost \$5, a gallon of home heating fuel ranges between \$4.55 and \$4.69, and an airplane ticket to travel one-way into Kodiak or Anchorage, \$50 and \$180-\$300 (depending on air carrier), respectively. The dividends are spent in much the same way other income sources are spent – housing, food, childcare, education and energy costs. For example, one Afognak shareholder relies on her dividend to help pay her mortgage so she can stay home and care for her elderly parents, while another is on disability and needs her dividend to offset her very limited income.

- Shareholder Hunting & Subsistence Program: This program was first developed in 2007 and provides Shareholders, their spouses and immediate descendants the opportunity to practice a subsistence lifestyle and provide for their families. The program aligns with Afognak Board policy which states, “[Shareholders through the Corporation will own] a land base that is culturally secure, capable of providing subsistence, without loss of size or location, with opportunity of first use by Shareholders”. Afognak takes its mission seriously to improve the quality of life for all our shareholders, and this program supports those shareholders who choose to practice a subsistence lifestyle, providing for their families and communities:
 - In 2007, the program supported 22 shareholders and spouses in their subsistence practice, with 13 elk and 8 deer being harvested.
 - In 2008, the program provided 21 shareholders, descendants and spouses in their subsistence practice, with 17 elk, 16 deer and 1 bear being harvested.
- Lands Management Programs: The 5-Acre Lease, Land Permit, and Lands Patrol programs described below, enable Afognak to manage the lands owned on Afognak, Kodiak, Whale, Raspberry, and other small islands in the northern Kodiak archipelago to ensure that the Corporation provides a “culturally protected land base in perpetuity” for its Shareholders right to “first land use.”
 - 5-Acre Lease Program: 5-acre parcels were made available to original Shareholders, or their descendants for 99-year leases. Those leases are transferable amongst Shareholders and cannot be alienated. Shareholders can have multiple 5-acre parcels if they choose and are responsible for paying taxes to the Kodiak Island Borough on the land. A few shareholders have utilized their 5-acre parcels to build successful businesses, such as lodges, which provide for their entire families.
 - Land Permit Program: A land permit system was implemented in 1999 to monitor and control public access to Afognak lands. Under the permit system the public is charged a fee to access Afognak property for fishing, hunting, or any commercial activity. Our shareholders as well as the shareholders of sister village corporations Ouzinkie Native Corporation and Natives of Kodiak, spouses and descendants are not charged a fee. In addition, shareholders of our regional corporation, Koniag, Inc., are not charged a fee. These systems help to ensure that lands are protected for Shareholders first use and that subsistence foods are maintained for future generations.

- Lands Patrol Program: Afognak maintains a Lands Patrol Program to monitor activity on lands owned by Afognak, implement the permit system, and protect the lands owned by the Corporation and those lands leased to its Shareholders.
- Donations, community contributions, and sponsorships: Each year, Afognak supports programs and organizations that promote Alutiiq culture, traditional language revitalization, and community unity. From 2000 to 2008, Afognak provided \$661,576 in donations, community contributions, and sponsorships. Some of Afognak's prominent donations during this time include: an annual donation to support the Alutiiq Museum; annual donations to our tribal affiliations – the Native Village of Port Lions and the Native Village of Afognak; sponsorship to support the National Congress of American Indians mid-year conference in Anchorage, Alaska in 2007; donations to support the Esgarlluku Taquka'aq Alutiiq education and cultural gathering from 2002 to 2007; support for Dig Afognak, which is a cultural camp for youth residing in the Kodiak archipelago; and continued support for the Special Olympics.
- Shareholder Death Benefit: The Shareholder Death Benefit is a program for Afognak Shareholders to assist with funeral related expenses. A one-time payout of \$2,500 is available to the family of a Shareholder who passes away. The family can either request direct payment to a funeral home to help offset the expenses or they can submit receipts after expenses have been incurred and be reimbursed up to the \$2,500. The Shareholder Death Benefit Program is an amazing program that helps Shareholder families at one of the most difficult times.
- Shareholder Employment: Afognak is committed to our shareholders and shareholder hire within our Corporation. We make great efforts, and have committed significant resources, to employ our shareholders within the lines of business we have chosen to pursue. It is our goal to hire as many qualified members of the Alaska Native community as we can to help grow the success of our Corporation. As a result of this commitment, we fund our scholarship and shareholder development programs (described below) thanks to the profits generated through the 8(a) program, with the intent of growing and developing shareholders into future leaders.

However, as a contractor for the federal government, like all other contractors, we go to where the work is. We do not control or influence where the Federal Government spends its dollars and we have no meaningful way (yet) to bring work to our shareholders. Therefore, when operating outside of Alaska, Afognak strives to support local communities in the states where we have active contracts by hiring local, qualified individuals and contributing to the local economy. As of November 1, 2009, Afognak

and the Alutiiq Family of Companies employed a total of 6,408 individuals residing in 46 states but working throughout all 50 states, Puerto Rico, Virgin Islands, Japan, United Kingdom and Guam.

- Scholarships: Afognak is committed to developing the future generations of Alaska Native leaders. As such, our Corporation offers two scholarship programs for Shareholders and their descendants who want to attend traditional universities, vocational education, or other training programs: the Higher Education Program (HEP) and the Career Enhancement Opportunities (CEO) Program.
 - Higher Education Program: The Higher Education Program (HEP) provides financial support to students who are pursuing higher education through traditional university or vocational education. From 2000 to 2008, Afognak awarded over \$876,000 in 300 scholarships to its shareholders and their descendants under the HEP.
 - Career Enhancement Opportunities Program: The Career Enhancement Opportunities (CEO) Program is designed to recognize and provide financial support to Shareholders and descendants who are seeking additional education to increase their career opportunities through means other than full-time traditional college or university attendance. From 2000 to 2008, Afognak awarded nearly \$118,000 in 133 scholarships to its shareholders and their descendants under the CEO Program.

These scholarship programs provide the means and opportunities to further our shareholders educations which otherwise might not have been available. We are beginning to see the fruits of our efforts as many of our scholarship recipients and other education benefits recipients are graduating and putting those skills to work, both for Afognak and elsewhere. This work also benefits the entire state, as it educates Alaskans and reduces the "brain drain," as our scholarship recipients are very likely to return or remain in the State.

Afognak is committed to developing our native shareholders for leadership positions within our Corporation but we realize that growing these native professionals takes time. Today's generation is the first to receive financial and social assistance to achieve collegiate-level education and we are proud that we have 2 shareholders and one other Alaska Native as members of our executive team, and 14 shareholders and other Alaska Natives/American Indians in mid-level management positions or above. Our goal is to one day see a Native management team that has learned from the very best in the industry and has received the education and training necessary to succeed.

- Shareholder Development Programs: Afognak makes great efforts and has committed significant resources to employ our shareholders within the lines of business we have chosen to pursue. In particular, Afognak's Shareholder Development Department was funded by the Board of Directors in 2008 in an effort to *improve Shareholder's quality of life through increased employment opportunities*. Through the myriad of initiatives progressing under this Department, our Corporation will continue to progress in its efforts to not just hire shareholders, but develop, hire and promote shareholders at all levels within the Corporation. These initiatives include:
 - Shareholder Employment Supports: Shareholder Development provides shareholders and descendants with assistance in resume writing, completing employment applications, career counseling and conducting mock interviews.
 - Shareholder Talent Bank: Afognak also developed and distributed a Talent Bank Form to Shareholders and descendants. The information gathered from the Talent Bank Form was placed in a custom database module within the Afognak Shareholder Database to track Shareholders and descendants education and work history. This database is used by Shareholder Development to link qualified Shareholders and descendants up with employment opportunities within and outside the Corporation. Since its inception, 241 shareholders have submitted their information to be included in the Talent Bank.
 - Shareholder Employee Training Program: This program helps Shareholders that are currently employed by Afognak Native Corporation or one of its subsidiaries accomplish their career goals by receiving the training they need to excel in the workplace. Such trainings include computer skills, business classes, accounting, and leadership, just to name a few. Afognak allocates \$500 in training funds for each individual Shareholder/descendant employee each year under this program.
 - Year-Round College Intern Program: Afognak's Intern Program is designed to build the next generation of Native leaders. Internships are currently offered in Accounting, Construction, Information Technology, Human Resources, Legal, and Operations and Maintenance. Under the program, interns attending school with a minimum of 12 credits and working 20 hours per week received supplemental pay for 20 hours, a competitive internship wage and a full benefits package, including vision, medical, dental and retirement. Three internships were funded in 2008, the first year of the program.
 - Apprentice Program: The goal of the Apprentice Program is to provide intensive on-the-job training to two highly motivated Shareholders or descendants that are

interested in working in pre-mid level positions in one of the areas that Afognak/Alutiiq does business. It is anticipated that through concentrated training and mentoring, the Apprentices will be qualified to enter their chosen fields after one year of on-the-job training.

Two Shareholders who were hired as Apprentices in 2008 graduated this year! Both shareholders were offered employment with the Corporation after graduation. In addition, two new Apprentices were hired in 2009 – one in the Payroll department and the other in the Legal and Bid and Proposals departments.

- Ataku Manager Program: Afognak Native Corporation's Ataku (Later On) Manager Program is a two year full-time program designed to provide Afognak Native Corporation shareholders and descendants with the skills and knowledge base necessary to secure managerial level positions within an Alaska Native Corporation or other business environment. Although employment with Afognak or its subsidiaries is not guaranteed after graduation from the program, it is anticipated that through concentrated training and mentoring, the Ataku Manager will be prepared to assume a managerial level position within the Corporation or another organization after successfully completing the program.
- Shareholder Business Supports: The Shareholder Owned Small Business and Service Directory helps promote Shareholder owned businesses and services by encouraging Afognak Shareholders, vendors, business partners, and staff to utilize Shareholder owned businesses and services. A total of 16 Shareholder businesses were listed in the online directory in 2008.
- Statewide Partnerships: Afognak partnered with Bristol Industries, a subsidiary of Bristol Bay Native Corporation, to form the Shareholder Development Action Group. The purpose of the group is to build partnerships between Corporations and organizations that practice Shareholder and Alaska Native hire. Currently 39 individuals representing 19 organizations participate in this statewide group. Organizations participating range from Alaska Native Corporations to ANC subsidiaries and other Alaskan companies that embrace Alaska Native hire.

In addition, Shareholder Development staff are available to provide Shareholders with basic small business development counseling and referral services. For instance, one Shareholder received assistance competing in the 2008 Alaska Federation of Natives Alaska Marketplace competition.

Afognak is proud of the collective benefits we are able to provide our Shareholders, their descendents and families, and the native community at large as a result of participating in the 8(a) program. We believe it is exclusively the role and responsibility of our Board of Directors to evaluate the needs of our shareholders and to implement the appropriate methods to best meet those needs. This practice is consistent with the overarching federal Indian policy of economic self-determination.

History of ANCSA and the Link to the 8(a) Program

I consider it important to provide a brief overview, a history lesson if you will, as to why Alaska Native Corporations are granted the opportunity to participate in the SBA 8(a) Program. In 1971, in exchange for the extinguishment of our aboriginal rights and claims and to open land for the State's oil development projects like Prudhoe Bay, the federal government and Alaska Natives agreed to terms in the Alaska Native Claims Settlement Act ("ANCSA" or the "Act"). In the settlement, Alaska Natives relinquished claim to 89% of Alaska, receiving title to 44 million acres of land and \$962.5 million to establish 13 regional and over 200 village corporations. In addition, as part of the settlement, ANCSA created and Alaska Natives received an entitlement to the benefits outlined in the Act. The legislative history of ANCSA is very clear that the goal was to provide a mechanism in which Alaska Natives could participate in the capitalist economy while the federal government fulfilled a contractual duty to assist in achieving that goal.

As the ANCSA settlement was unraveled and the corporate structure established, it became increasingly evident that Alaska Natives were not receiving all the benefits intended by Congress and to which Alaska Natives were entitled as a result of our negotiation. Being an Alaska Native Corporation proved inefficient and cost prohibitive as the geographic and economic barriers of our rural homes proved difficult to overcome. It was apparent that ANCSA Corporations would not be able to fulfill their social responsibilities to their shareholders and begin to achieve economic potential without some adjustments to the Act.

Congress amended ANCSA in 1988 and again in 1992, establishing Alaska Native Corporations as minority and economically disadvantaged businesses for purposes of government procurement programs. By these amendments, Congress made clear that favoring Alaska Native Corporations for government contracts was an integral and intentional part of ANCSA's economic settlement. With these clarifying amendments, it is without question that the ANCSA Native American-owned corporations' eligibility for government contracting preferences is bargained for consideration in exchange for the extinguishment and settlement of Alaska Natives aboriginal claims to Alaska.

Award of Federal Contracts

However, being eligible to participate in the 8(a) Program does not mean that contracts are automatically awarded to Alaska Native Corporations. The 8(a) program does not permit awards

to be made to participants who are not qualified to complete the scope of work. SBA regulations dictate that federal contracting officers must determine if an 8(a) contract can be made at fair market value.¹ Contracts awarded under the 8(a) program are negotiated contracts and the discussions between contracting officers and Afognak typically include detailed proposals as to scope of work, budget, subcontractor usage, equipment and materials estimates, and negotiation over profit margin. Large sole source awards are regularly subjected to a pre-award and post-awards audits by the Defense Contract Audit Agency, and in no uncertain terms, the Truth in Negotiations Act applies in all circumstances. Contracting officers must certify that the Government is receiving "best value" when contracts are awarded through this program. ANC's participating in the 8(a) program are held to the same financial, performance, and legal standards as all other federal contractors. Afognak is proud of our companies' abilities to negotiate these contracts fairly while providing great value and service to the U.S. Government. In addition, the work our companies perform is consistently complimented by our customer for its quality and cost effectiveness. We are proud of our excellent track record of performance.

Support for Other 8(a) Companies

Many Afognak companies have developed and supported great working relationships with other small businesses participating in the 8(a) program. Alutiiq runs an informal "Micro-Business Initiative," in Huntsville, Alabama, under which we identify opportunities to subcontract to new and developing small businesses. In many cases, this initiative allows firms to gain security clearances, past performances, banking credentials, expanded capabilities, and business growth that they could not obtain on their own. As one of our partners recently wrote,

"It is a unique program that clearly establishes Alutiiq LLC as a strong supporter and mentor of newly formed, local small businesses. This is not a DoD-funded mentor-protégé plan and Alutiiq LLC gains no subcontracting plan credits from the government for having this program. Alutiiq LLC recognized the necessity for a program that helps micro-businesses grow to the next level of success, and they stepped in to fill the need with the establishment of this program."²

Another wrote:

"Noteworthy of mentioning also is that INSUVI's experience working with the Alutiiq management staff has truly been outstanding. Your corporate staff continually goes out of their way to provide answers to questions we have in the areas of contracts, accounting, payroll, security and more."³

¹ See 13 CFR 124.511.

² Letter from Elisa Krupa, President, Knowledge Vortex, dated July 2, 2009

³ Letter from Earnestine Caudle, INSUVI, dated July 2, 2009

We have many of these letters, all of which express appreciation and gratitude for the opportunities Alutiiq has provided to other small businesses. We will continue to foster these relationships and develop others to support other small businesses as they grow through the 8(a) program. We believe it is important to be good stewards in the communities where we are located and working with locally-owned small businesses is just one way to contribute locally. I have attached the referenced letters at the end of my testimony.

The long term future of ANC Participation in 8(a)

The path to success for Native Corporations has been long and slow, as many obstacles have been faced over the last thirty-plus years. Many Native Corporations were either on the verge of bankruptcy or financial ruin just over a decade ago. Participation in the 8(a) program has provided the vehicle to steer around these disasters. The success enjoyed by Alaska Native Corporations in the 8(a) program could and should serve as a model to other economically and socially disadvantaged groups.

Native participation in the program has increased over the past decade and the amount of federal contracting being allocated to native participants in the program is a reflection that **the program is working!** However, although native participation in the program has risen, of the entire federal contracting budget Native 8(a)'s represent less than .8% of those organizations under contract with the federal government. Native organizations represent communities of individuals and collective groups of peoples. ANCs represent over 130,000 Alaska Native owners, and that number does not reflect the descendants and other family members of those shareholders. ANCs and Tribes should receive a large percentage of the 8(a) contracting dollars available, as we represent the largest percentage of 8(a) owners. Participation in the 8(a) program provides a tool to our Corporations so that we can continue our efforts to lift the real social and economic disadvantages experienced by our shareholders every day, as Alaska Natives represent one of the poorest segments of the American economy. Initiatives such as the 8(a) program honor the Government's promise to bring economic self-sufficiency to our people. ANCs must continue to grow and give back to reverse this trend and improve our people's quality of life.

Conclusion

In closing, I would like to reiterate my overall message – the 8(a) program is working and working well! This program has enabled Afognak to provide financial support and economic opportunities to those who previously had little hope of gaining an education, starting a business or joining the professional workforce. The 8(a) program enables ANCs like Afognak to deliver critical support in the form of shareholder dividends and community services to revitalize economically-challenged Alaska Native communities and at the same time, provide great value and service to the federal government. This is a successful model, one that should be replicated and the stories of accomplishment told – a federal program that works!

Quyanaasinaq – (thank you very much) for the opportunity to tell the Afognak story.



Knowledge Vortex

...focused energy, powerful solutions

July 2, 2009

I am writing this letter to describe how Alutiiq LLC in Huntsville, Alabama has been instrumental in the early success of my company, Knowledge Vortex. My name is Elisa Krupa, and I am the owner and President of Knowledge Vortex, a small, woman-owned, service-disabled, veteran-owned business that delivers Information Technology services and professional administrative services to the federal government and DoD Prime contractors.

Since Knowledge Vortex's incorporation in 2007, I have done what most small government consulting business owners do – spend every possible hour marketing my company to federal Prime contractors and trying to network with key decision makers.

I joined every networking organization I thought would be beneficial, including the Chamber, Huntsville Aerospace Marketing Association (HAMA), the Huntsville Association of Small Businesses in Advanced Technology (HASBAT), the Air Force Association, AUSA, Women in Defense, NDIA, etc. I took classes at the Woman's Business Center and the Huntsville Chamber of Commerce.

In the first 10 months, I met with over 20 large businesses, over 25 small businesses, and a multitude of government/DoD Small Business Liaison Officers (SBLO's), Procurement Technical Assistance Program (PTAC) counselors, Department of Veteran's Affairs officers, and Small Businesses Administration Officers. I made no measurable progress as a subcontractor, mainly because my company had no corporate past performance to cite, only strong capabilities.

Then on June 18, 2008, I had my first meeting with Alutiiq LLC. Greg Hambricht, Senior Vice President of Technical Services, told me about their micro-business initiative aimed at helping local small businesses gain their first quality past performance. It is a unique program that clearly establishes Alutiiq LLC as a strong supporter and mentor of newly formed, local small businesses. This is not a DoD-funded mentor-protégé plan and Alutiiq LLC gains no subcontracting plan credits from the government for having this program. But Alutiiq LLC recognized the necessity for a program that helps micro-businesses grow to the next level of success, and they stepped in to fill the need with the establishment of this program.

I asked to be admitted to the program, and after a vetting process, Knowledge Vortex became a subcontractor to Alutiiq LLC. We now support Alutiiq LLC and the Redstone Garrison DOIM on the Redstone IT Services (RITS) contract. Alutiiq LLC also sponsored Knowledge Vortex's Facility Clearance, because a DoD SECRET clearance was required for all personnel supporting RITS. In every instance, Alutiiq LLC has been straight forward and ethical.

Now that Knowledge Vortex has established citable past performance as a subcontractor to Alutiiq LLC on RITS, we have been invited to join the following Teams as a subcontractor: AMCOM EXPRESS (all domains) which supports Army Aviation and PEO Missiles and Space; SETAC, which supports the Army Space and Missile Defense Command/US Army Forces Strategic Command; Encore II, which supports DISA; and numerous Teams for upcoming procurements, including NASA NICS and MiDAESS for the Missile Defense Agency.

Alutiiq LLC has been more than helpful in Knowledge Vortex's success – they have been instrumental, and I am proud to be associated with this Alaskan Native Corporation.

Sincerely,

Elisa Krupa, President
Knowledge Vortex
*A Service-Disabled Veteran-Owned
& Woman-Owned Small Business*
(256) 541-2744





INSUVI

Information Services Unique Value, Inc.

July 02, 2009

Subject: INSUVI Growth and Expansion Update

Dear Mr. Hambright,

On behalf of Information Services Unique Value, Inc. (hereinafter "INSUVI"); I want to convey my sincere appreciation for the opportunity to work with Alutiiq on the RITS, OMEMS, and Kwajalein projects at this time. As you are aware, INSUVI was primarily concentrated in commercial work prior to working on these projects. That was until you shared with us Alutiiq's Micro-Business initiative and encouraged INSUVI to participate. It was so exciting to learn that this company sponsored program seeks opportunities to subcontract to small businesses allowing, in many cases, firms to gain security clearances, past performance, banking credentials, expanded capabilities, and grow one's business to the next levels of success.

A year later, I can honestly say that INSUVI is experiencing all the objectives that the Micro-Business initiative offers its subcontractors. For instance, INSUVI is now developing competencies in Information Technology as a subcontractor to Alutiiq International Solutions, LLC, and in Training as a subcontractor to Alutiiq Business Services, LLC. INSUVI has also expanded its support internationally to Kwajalein Atoll where it is providing Security Guard and Patrol services as a subcontractor to Alutiiq Global Solutions, LLC. The total growth from these contractual efforts comes to 95% with personnel having increased from 1 to 7 employees. An undeniable benefit of this growth is that INSUVI marketing is increasing as customers now have a level of comfort with the past performance gained. Contributing to their comfort level is the fact that Alutiiq fully supports and oversee that all its subcontractors are successful.

INSUVI's most recent accomplishment is acceptance by the Small Business Administration to participate in the 8(a) Business Development Program. The past performance and revenue gained from the Alutiiq subcontracts greatly contributed to our obtaining this certification. Noteworthy of mentioning also is that INSUVI's experience working with the Alutiiq management staff has truly been outstanding. Your corporate staff continually goes out of their way to provide answers to questions we have in the areas of contracts, accounting, payroll, security, and more. This in my strong opinion is nothing short of the type of quality mentoring that INSUVI and small businesses alike require at this stage of the game.

In closing, words cannot express how grateful I am for your believing in INSUVI and encouraging us to give the Micro-Business initiative a try. We are so very proud to be working with a prime contractor who has a proven reputation for being fair, ethical, honest, and committed to doing the right thing by its subcontractors at all times.

Sincerely,

Ernestine Caudle
CEO

Cc: Corporate File



November 2, 2009

Chairman Jay Ramras
House Special Committee on Economic,
Trade, and Tourism
Alaska State Legislature
State Capitol Building
Juneau, AK 99801-1182

Chairwoman Lesil McGuire
Senate World, Trade, Technology,
and Innovations Committee
Alaska State Legislature
State Capitol Building
Juneau, AK 99801-1182

Dear Chairman Ramras and Chairwoman McGuire:

On behalf of Arctic Slope Regional Corporation, I submit the following letter to the Alaska State House of Representatives joint hearing by the House Special Committee on Economic, Trade and Tourism, and the Senate Word, Trade, Technology and Innovations Committee for inclusion in the October 15, 2009 hearing record concerning the Economic Impact of Native 8(a) contracting.

The SBA 8(a) Business Development Program is an example of a federal policy that successfully promotes Native American participation in the federal marketplace. Government contracting is complex and Alaska Native corporations are learning to compete with well-established firms within this sector. The amount and number of benefits provided to shareholders of Alaska Native Corporations indicates that this program is working. For example, the 8(a) program provides money which is donated to educational scholarship funds – in a very real sense the 8(a) program funds educational opportunities.

The nature of Alaska Native corporations, as defined by Congress through the passage of the Alaska Native Claims Settlement Act of 1971, was to build economic self-sufficiency while addressing the social and cultural needs of Alaska's Native people. The 8(a) program has helped Alaska Native corporations provide jobs, education, services and community-wide benefits to populations of disadvantaged Americans. The 8(a) program has been particularly helpful to Alaska Native corporations in the more remote regions of our country, located far from major markets or industrial centers.

We are proud of our increased business capabilities. We know we are building stronger organizations, creating a generation of business savvy Native leaders and strengthening our communities for future generations. Congress should preserve the benefits afforded to Native Americans, especially Alaska Native corporations, within the SBA 8(A) Business Development Program.

Arctic Slope Regional Corporation appreciates the joint leadership demonstrated by your Committees on such an important issue not only for Alaska Natives, but for the Alaska economy as a whole. Thank you for your continued support of Native American participation in the Small Business Administration's 8(a) Business Development Program. If I can be of further assistance, please contact me directly at (907) 339-6031.

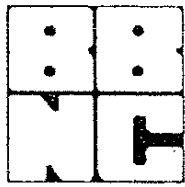
Sincerely,
ARCTIC SLOPE REGIONAL CORPORATION



Tara Sweeney
Vice President of External Affairs

Cc: Julie Kitka, President, Alaska Federation of Natives





Bristol Bay Native Corporation

Enriching Our Native Way of Life

111 West 16th Avenue, Suite 400 / Anchorage, Alaska 99501 / (907) 278-3602 / Fax (907) 276-3924

October 26, 2009

ALASKA STATE HOUSE OF REPRESENTATIVES
Representative Jay Ramras, Chair
1292 Sadler Way, Suite 323
Fairbanks, Alaska 99701

House Special Committee on Economic Development, Trade & Tourism

Dear Representative Ramras,

I wish to extend my appreciation on behalf of Bristol Bay Native Corporation (BBNC) to you for hosting a hearing to discuss the participation of Alaska Native Corporations in the Small Business Administration's 8(a) program. I believe this program has greatly benefited Alaska through its unique capacity building initiatives. It provides a mechanism whereby small business can break into the rough and tumble world of contracting under the oversight and mentorship of the Small Business Administration.

The benefits created by this program go beyond profits realized on a contract; they include the acquisition of skills that can be replicated in a market environment, jobs created for Alaskans, education and training. Profits made are brought back to the state of Alaska and invested in its citizens. This program is a natural extension of the promises that were made during passage of the Alaska Native Land Claims Settlement Act.

In part a result of participation in the Small Business 8(a) program, BBNC has been able to distribute, from the years 2000 to 2008, approximately \$40 million dollars in dividends to shareholders. Since the first dividend distribution in 1978, BBNC has paid \$70 million in dividends to its shareholders. This figure represents approximately 40% of our historic operating earnings. These dividends for the most part are dollars that stay in state and are invested in local communities and businesses.

BBNC invests in shareholder development through scholarship awards, through job internships and job shadowing, through leadership training and continuing employee development. BBNC believes in leadership development and spent over \$246,861 during

the years 2000-2008 on hosting annual Village Leadership Workshops (VLW). The VLW is an innovative program that reaches out to the wide variety of leadership in the Bristol Bay region with the intention of increasing communication between communities, facilitating project development, building organizational capacity, and educating shareholders on a wide variety of current issues, including 8(a) contracting.

In furtherance of that same objective BBNC also has developed a unique management training program called Training Without Walls intended to enrich management skills and expand career opportunities for up and coming executives. BBNC spent more than \$242,067 dollars on the TWOW program between the years 2000 and 2008.

In order to ensure that shareholder employees are groomed for responsibility and are knowledgeable in performance of their duties, BBNC and its subsidiary companies spent upwards of \$893,480 in tuition and continuing education costs between the years of 2000-2008.

BBNC has contributed over \$2 million dollars to the Education Foundation's scholarship endowment fund since 1992. The Foundation has independently raised over \$1 million. Since 1986, the Foundation has awarded over 1,900 higher and vocational education scholarships worth more than \$1,960,000. BBNC scholarship recipients have graduated with degrees in everything from Veterinary Science, Engineering, Law, Medicine, and Education to Business Management.

The BBNC Educational Foundation recognizes the value of building job skills through vocational education, associate degrees, and specialized certificates. The Education Foundation awards scholarships that enable shareholders to work in fields ranging from dental therapy, culinary arts, commercial aviation, occupational safety and medical assistant training, non-destructive testing technicians, accounting clerks as well as obtaining commercial drivers licenses.

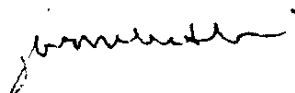
BBNC believes in giving back to the community and has contributed in excess of \$1,407,996 in the communities that it performs work in throughout the United States. BBNC has contributed to organizations as varied as Red Cross, Food Bank of Alaska, Boys and Girls Club, NAACP, the United Way and The Nature Conservancy

Due to many reasons including transportation costs, BBNC started a Memorial Donation Fund to assist shareholders with burial costs. This program was recently initiated and BBNC has distributed over \$20,876 dollars to more than 29 families of the deceased.

Excluding shareholder dividends which are a stable, reliable and obvious benefit, BBNC contributes in many intangible and meaningful ways to our shareholders. For example, BBNC maintains a land program which oversees the development and preservation of over 3 million acres for which it is the custodian. BBNC has developed a shareholder data base for its 8,400 shareholders that may someday serve as a genealogical record of the people of the Bristol Bay region. BBNC advocates on behalf of the economic vitality of the region and many times serves in a representative capacity for issues of importance to people of the region. Adding up the educational scholarships, the leadership training investments, the donations to local communities, the costs of responsible advocacy, BBNC has spent over \$7,366,435 in benefits to shareholders during the years 2000-2008 in addition to that of simply paying dividends.

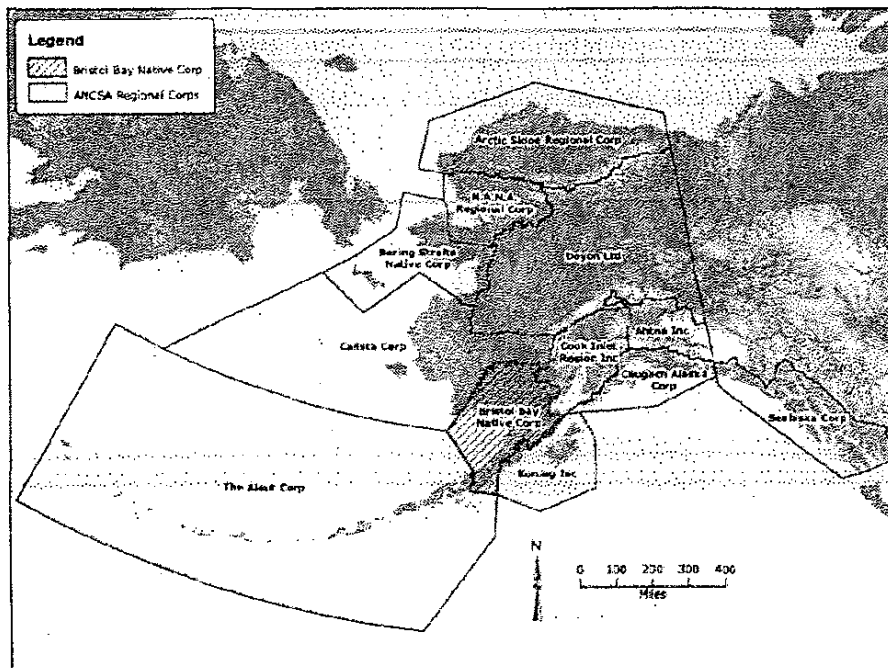
BBNC employs over 500 hundred Alaskans within the state of which 10% are Alaska Natives or shareholders. We are a member of the extended Alaskan community and our success is critical to the economic health of our state. We need our State legislature to understand the economic benefit that this program provides both to our Native peoples and to the state and to help us protect the SBA 8(a) program. I have attached to this letter a short background on our Bristol Bay corporate history. Please do not hesitate to contact me with any questions you or your committee members may have. I know that you have met firsthand the people of the Bristol Bay region and I thank you for spending time with the people of rural Alaska.

Respectfully,


Jason Metrokin
President and CEO
Bristol Bay Native Corporation

Background Information

Bristol Bay Native Corporation was formed after passage of the Alaska Native Claims Settlement Act of December 18, 1971 (ANCSA). Passed to resolve outstanding land claims of Alaska's Native people, the provisions of ANCSA offered an alternative to the Indian reservation system of the Lower 48. The concept was simple. Rather than relying on the Bureau of Indian Affairs, Congress placed its trust in Alaska Natives to manage their own future. Alaska was divided into 12 geographical regions. Regional, for-profit corporations were formed to represent the regions and to foster economic development. Approximately 40 million acres of land and \$962 million were distributed to the corporations. Each Alaska Native alive on December 18, 1971 was eligible to enroll as a shareholder in one of the corporations.



The most fundamental attribute of the Alaska Native Claims Settlement Act was Congress' promise to the Native people of Alaska, that through the creation of a corporate business structure rather than tribal reservations, the settlement would allow them to pursue a sustainable economic future. It was this promise that persuaded the Native people of the Bristol Bay region to relinquish our claim

to more than 300 million acres of aboriginal lands.

The 40 million acres of land distributed to the regional corporations represents only 12% of the State of Alaska. The \$962 million paid in compensation for the aboriginal homelands the Alaska Native people relinquished was not a lump-sum payment; rather it was paid out over a 10-year period. Further, the corporate model was a new concept for many Alaska Natives. Many corporations struggled to survive and to become profitable.



Bristol Bay was designated as the region representing southwest Alaska. Bristol Bay Native Corporation was incorporated in 1972 and became entitled to receive approximately 3 million acres of land, primarily subsurface estate. We received only \$32.7 million of the

monetary portion of the ANCSA settlement. Approximately 5,400 Alaska Natives of primarily Yupik Eskimo, Athabascan Indian, and Aleut descent with hereditary and cultural ties to the Bristol Bay region received 100 shares of stock in Bristol Bay Native Corporation.

For over thirty-seven years we have worked diligently to keep Congress apprised of our growth and development, our successes and our failures. Congress, in recognition of the organic nature of ANCSA, has amended it repeatedly in order to correct deficiencies and to continually pursue achievement of its most basic purpose – developing sustainable and healthy economies for our Native people.

Mission Statement

Bristol Bay Native Corporation's mission statement is "Enriching our Native way of life." Foremost in the minds of those who crafted the original and the present Bristol Bay Native Corporation mission statement was protecting the Native way of life – cultural traditions, the lands, and resource harvesting. It also states, "We will be successful as we move ahead, we cannot be afraid of what the future holds because we are going to be a part of shaping the future."

Subsistence hunting, fishing, and food gathering continue to be ingrained into our cultural identity and traditions. Honoring the elders – the keepers of our heritage – the corporation blends old wisdom with current exploration of business opportunities. Our corporate structure and philosophy strongly supports the maintenance of this connection.

Corporate History

Bristol Bay Native Corporation's first successful investment was the purchase of Peter Pan Seafoods, Inc. during the late 1970s. The profit from the 1979 sale of Peter Pan Seafoods, Inc. became the core of Bristol Bay Native Corporation's investment portfolio. In 1977, the corporation purchased a hotel in Anchorage and contracted with Hilton Hotels Corporation to manage it. 1979 was an important turning point for Bristol Bay Native Corporation, when the board of directors decided to invest in a professionally-managed portfolio, realizing the importance of diversified investments.

In 1986, Congress enacted legislation allowing corporations to participate in the Small Business (SBA) 8(a) Business Development Program development of companies owned and operated who are socially and economically disadvantaged. During the 1990s, Congress modified the provisions affecting Indian Tribes and Alaska Native corporations certified under Section 8(a) of the Small Business Act, increasing opportunities for Alaska Native corporations to learn how to effectively compete in the federal marketplace.

The inclusion of Alaska Native corporations in government procurement in the aboriginal provisions of ANCSA, allows our corporations to benefit from the business development programs that have long been available to other minority groups and to



Alaska Native Administration's which assists the by individuals disadvantaged. provisions corporations Business Act, corporations to marketplace.

as participants settlement corporations to programs that groups and to

strive for entrepreneurial success that will allow us to fulfill our obligation to our shareholders, which is to advance the economic and social well-being of our shareholder-owners.

Many of Bristol Bay Native Corporation's shareholders and the communities they inhabit experience levels of poverty and unemployment more typical of third-world countries. Natural resource development on ANCSA lands has helped to ameliorate some of the hardship, and jobs have been created, but for long-term sustainability, diversification into other financial and business endeavors is the only route to securing the economic promise of the settlement act.

Bristol Bay Native Corporation began building its current set of subsidiary companies in 1993 with the formation of Bristol Bay Corporate Services. Shortly thereafter, Bristol Environmental Services Corporation, organized in 1994, became our first SBA 8(a) certified entity. Its first federal contracts were for work in the Bristol Bay region – at the Air Force Base in King Salmon and in Iliamna. Many Bristol BayNative Corporation shareholders were employed. However, not all of Bristol Environmental Services Corporation's growth came from 8(a) sources. Significant work came from the oil industry and other private sources. It became profitable in 1997 and graduated successfully from the 8(a) program in 2004.

During the 1990s, the Anchorage Hilton Hotel prospered and the property value increased dramatically. With the sale of the hotel in 1997, BBNC issued a \$30 per share dividend to the shareholders and more than doubled our investment portfolio, increasing its value to over \$70 million.

Bristol Bay Native Corporation continued to make significant capital and equity investments in business operations, growing the company, both organically and through acquisitions. Acquired companies include PetroCard Systems, Inc., CCI, Inc., and SpecPro, Inc. Vista International Operations was a 1998 start-up operation that has continued to grow and expand.

Over the years, the sale of sand, rock, and gravel has provided important revenue. Another important source of income has been through the revenue sharing provisions of Section 7(i) of ANCSA, which requires the sharing of profits from earnings on natural resource development among the regional corporations.



The founders of Bristol Bay Native Corporation took their knowledge of the land and culture and built a diversified corporation with more than \$1 billion in annual revenue. This revenue has been shared with our 8,400 shareholders, who have received more than \$70 million in dividends since our inception. We first reported a profit from operations in 1977 and have recorded net losses only twice since that time. Today, we are a diversified holding company with investments that include a substantial stock portfolio and operating companies that provide architectural design, cardlock fueling, administrative and management services, nondestructive testing and inspections, construction management, environmental engineering and remediation, oilfield services, surveying, facilities management, and operations and maintenance services. We have been and will continue to be a significant contributor to the statewide economy of Alaska.

At the same time, many of our shareholders face extraordinary

economic and employment challenges in rural Alaska. Rising energy costs have hit rural Alaska very hard, creating a crisis never before experienced in our villages.

From the beginning, our promise to our shareholders has been to provide consistent and growing dividends, invest for the future, encourage educational opportunities, and support our shareholder communities. We will continue to strive toward fulfilling the promise of the Alaska Native Claims Settlement Act to the shareholders of Bristol Bay Native Corporation.



Salmon is the lifeblood of the Bristol Bay region



Norman L. Phillips, Jr.
President and CEO
E-mail: phillipsn@doyon.com
Direct Dial: (907) 459-2004
Fax: (907) 459-2060

November 30, 2009

Via E-mail

Representative Jay Ramras
1292 Sadler Way, Suite 324
Fairbanks, Alaska 99701
Representative_Jay_Ramras@legis.state.ak.us

RE: House Committee on Economic Development, Trade & Tourism Request
for 8(a) Information

Dear Representative Ramras:

I am the President and CEO of Doyon, Limited, one of thirteen Alaska Native Claims Settlement Act regional corporations. We are headquartered in Fairbanks and have more than 17,500 shareholders. Our land entitlement of 12.5 million acres in Interior Alaska makes us the largest private landowner in Alaska, and one of the largest in North America.

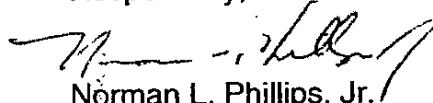
As an Alaska Native Corporation, Doyon is able to participate in the United States Small Business Administration's 8(a) Business Development Program. We have done so since 2001. The 8(a) program has been very beneficial to Doyon. Between 2001 and 2008, we grew from no federal revenue in our fiscal year 2001 to about \$93 million in annual revenue derived from federal contracts in fiscal year 2008. Our growth in federal contracting in our fiscal year 2009, which closed September 30, 2009, was also impressive and income from federal contracting is now a major financial contributor to Doyon, Limited. Through our growth in federal contracting Doyon now employs approximately 1,500 people throughout the United States, from Florida to Alaska to Hawaii and in at least eleven states in between.

We have structured our federal contracting program to be cost-competitive. In each area of our federal contracting program, including security, construction, engineering and technical consulting, we also provide the same services in the commercial market on a similar scale.

I have attached a copy of the letter we sent to the United States Senate's Subcommittee on Contracting Oversight on May 29, 2009. This letter provides more detail on our participation in the SBA's 8(a) program.

Thank you for the opportunity to provide written comments to your Committee regarding a program that has and will continue to be very valuable to Doyon and other Alaska Native Corporations.

Respectfully,



Norman L. Phillips, Jr.
President and CEO
Doyon, Limited



**STATEMENT FOR THE
HEARING RECORD**

**OCTOBER 26, 2009 JOINT HEARING ON
THE ECONOMIC IMPACT OF NATIVE 8(a) CONTRACTING**

**ALASKA STATE HOUSE OF REPRESENTATIVES
HOUSE SPECIAL COMMITTEE ON
ECONOMIC DEVELOPMENT, TRADE & TOURISM**

**Sealaska Corporation
Chris E. McNeil, Jr.
President & CEO**

**One Sealaska Plaza, Suite 400
Juneau, AK 99801
907-586-1800**

My name is Chris McNeil, Jr., and I am the President and CEO of Sealaska Corporation. I respectfully request that my statement be entered into the record for the October 26, 2009 hearing on the economic impact of Alaska Native Corporation 8(a) contracting. I apologize for not being present at the hearing in person, but I, along with other executives of Sealaska, was attending the annual National Minority Supplier Development Council Conference and Business Opportunity Fair. As a Native Corporation that benefits from the 8(a) program and that provides an economic impact in Alaska, we hope that you will strongly consider the following statement.

BACKGROUND ON SEALASKA CORPORATION

Sealaska Corporation is one of 13 Regional Corporations established under the authority of the Alaska Native Claims Settlement Act of 1971 (ANCSA). Sealaska is owned by approximately 20,000 Tlingit, Haida and Tsimshian tribal member shareholders and our lands are situated in Southeast Alaska. Like our culture, language and heritage, Sealaska is grounded in our lands, waters and homeland. In our management of our lands and resources, Sealaska is guided by our traditional Native value of "Haa Shagoon," which recognizes our obligations to our past and future generations.

Our shareholders know who they are as Native people with a culture and traditions that are a rich and invaluable part of the social fabric of our region and which strengthens the cultural diversity of our nation. It is this strength and pride of culture that inspires our tribal member shareholders' confidence and perseverance. Our culture enables our employees and companies to build upon Native traditional values and enables us to be a unique provider of quality and competitively priced products and services, by virtue of our Native ownership.

Through ANCSA, Congress directed that Native corporations should implement ANCSA "in conformity with the real economic and social needs of Natives . . .". The Congressional directive is consistent with our traditional values which require that Sealaska develop sustainable economies and address the needs of our Native communities. From our headquarters in Juneau, Alaska, we have built a strong economic presence in Southeast Alaska and are also extending our business beyond our traditional homeland as a way of creating even greater economic benefit and employment opportunities for our shareholders. This global outreach is consistent with our history. Our people have been traders for thousands of years. We will continue to broaden and diversify our businesses to assure perpetual benefits for our tribal member shareholders and their descendants.

ANCSA is a living document that has been amended many times over, in part because it was a congressional experiment to complete a Native land settlement. By using a statutory framework for the land claims settlement, Congress structured ANCSA to accommodate substantive amendments that would achieve its purpose of developing a sustainable and healthy economy for Alaska Natives. The legislative amendments authorizing Alaska Native participation in the Small Business Act's (SBA) 8(a) program provide federal procurement opportunities for business development that contribute to the development of sustainable Alaska Native economies and are now embedded in ANCSA as part of our settlement with the United States. This action by Congress was an exercise of the federal trust responsibility toward tribes. This is an Indian policy that is both relevant and necessary to allow Alaska Natives and Tribes to participate in federal procurement opportunities. The program is rationally tied to the government's trust responsibility towards its Native people.

SEALASKA'S CONTRIBUTION TO THE SOUTHEAST ALASKA ECONOMY

Sealaska's home region, Southeast Alaska, is an archipelago and mainland geographic unit that is bisected by major marine waterways and rivers; with the mainland dominated by extreme geography consisting of glaciers, major ice fields, hostile weather conditions and severe topography. This geography isolates many of our communities from each other and from the rest of the world. This isolation limits access to energy and transportation infrastructure, and significantly increases the cost for delivery of goods and services. The overall effect is that the cost of doing business in our own region is extremely high. Accordingly, it is a challenge to diversify and grow the region's economy. This requires us to think globally in our economic development initiatives, to ensure a source of income and other economic opportunities that benefit our shareholders.

The loss of fishing and timber jobs in our region has hurt our rural economies tremendously. Many of the jobs that are available are seasonal in nature, and, therefore, not reliable sources of income. The result is very high levels of unemployment – in some communities as high as 80 to 90 percent. This contributes to the ongoing and very significant risk of out-migration from rural to urban areas. This high unemployment and out-migration is a particularly pressing problem in our Alaska Native villages.

Despite these challenges, Sealaska makes significant contributions to the economy of Southeast. According to studies conducted by the McDowell Group, a regional economic consulting group, Sealaska continues to be the largest private employer in Southeast Alaska. Sealaska is also one of the largest contributors to the other Regional Corporations throughout the state under the ANCSA 7(i) revenue sharing program, having contributed approximately \$314 million since ANCSA was passed. In some of the poorest rural communities, Sealaska provides between thirty and fifty percent of the annual disposable income of the total community. The Corporation recognizes the dire condition of the Native communities in our region and has adopted a strategic and operating plan for the development of new jobs and economic opportunities in the region.

SIGNIFICANCE OF THE 8(a) PROGRAM FOR SEALASKA

Most of the revenues of Sealaska from 2000 – 2008 are from its timber resources and its investment portfolio. Sealaska's finite land and resource base alone is not sufficient to maintain a sustainable shareholder jobs and benefits program. In addition to land, Congress has provided authority for additional economic programs to promote economic sustainability of Alaska Native Corporations (ANCs). The inclusion of ANCs in government procurement programs as an additional component of the aboriginal settlement provisions of ANCSA enables ANCs to build upon the proven success of individual minority entrepreneurs and to apply that model to the ANCs in a manner that benefits all tribal member shareholders. The SBA 8(a) Business Development Program encourages ANCs to strive for corporate entrepreneurship that will help Native corporations meet their federally-defined obligations to further the economic, cultural and social well-being of the entire tribal member shareholder population. Without the 8(a) program, the barriers to entry for ANCs and Tribes would be too high to compete with multi-billion dollar federal contractors.

Currently, just over thirteen percent of Sealaska's revenue is derived from 8(a) contracting. Sealaska has only been involved in 8(a) or other government contracting since 2004. Sealaska currently owns five SBA 8(a) certified companies: Sealaska Environmental Services, Inc.; Synergy Systems, Inc.; Olympic Fabrication, LLC; Managed Business Solutions, LLC; and Alaska Coastal Aggregates, LLC. Olympic Fabrication, LLC only recently received its certification in early 2008. Two of Sealaska's newly-established companies, Sealaska Global Logistics, LLC, and Sealaska Constructors, LLC, have 8(a) applications pending with the SBA. The 8(a) certification has certainly opened some doors and provided increased business opportunities to Sealaska. We hope to continue to utilize the benefits of the 8(a) program to provide benefits to our tribal member shareholders, including dividend distributions, employment opportunities, internships, and scholarships.

ALASKA NATIVES CONTINUE TO BE ECONOMICALLY DISADVANTAGED

Despite the corporate structure and corporate names, Alaska Native Corporations are not the typical American Corporation. While some of our Native Corporations have become successful in certain areas of business, we still have a long ways to go to truly meet the economic, social and cultural needs of our tribal member shareholders. Our shareholders and the communities that we represent continue to be economically and socially disadvantaged. Investigators, internal auditors and others continue to use data to somehow conclude that Alaska Native Corporations are big, successful corporations that do not meet the definition for economically or socially disadvantaged. This ignores the real situation that these Native Corporations are continuing to try to address - widespread poverty, minimal economic opportunities in our rural communities, social distress, infrastructures needs, and the like.

In Sealaska's rural communities, there are significantly high unemployment levels. Many residents of these Native villages are moving to the urban centers to try to find employment. Many of our rural communities are not connected to an electricity grid, and continue to rely on diesel fuel for energy, resulting in 50 – 60 cents per kilowatt hour in costs. This results in thousands of dollars to heat an average home per month. This is the reality that we are trying to address; and we are certainly not attempting to fleece America and rob taxpayers. We are simply trying to make progress in the fight to put our Native people on equal footing with the rest of America.

BENEFITS TO SHAREHOLDERS THROUGH 8(a) PROGRAM

The contracts secured by Sealaska companies through the 8(a) program contribute to the profits of Sealaska Corporation, and allow us to provide increased benefits to our tribal member shareholders. It is one important portion of our economic portfolio. Sealaska's data submission to the Subcommittee outlines in significant detail the benefits provided to our tribal member shareholders, including:

- Scholarships
- Internships
- Employment Opportunities

- Management of ANCSA lands and other assets
- Financial and Political support for Native organizations
- Legislative monitoring and advocacy at the State and Federal level
- Biennial “Celebrations” featuring Native culture, songs and dances
- Southeast Alaska regional economic support and development activities
- Donations for social and cultural purposes

We would like to elaborate on a few of the benefits below.

Scholarships

Sealaska Corporation has a vested interest in the education and careers of its tribal member shareholders. As a result of its corporate emphasis on shareholder employment, Sealaska monitors the progress of its Native youth. One method employed by Sealaska has been to track those shareholders and shareholder descendants who have received scholarships through Sealaska Heritage Institute (SHI). The scholarship program administered by SHI is wholly funded by Sealaska Corporation. Sealaska has awarded thousands of scholarships in the time period reviewed by the subcommittee, totaling more than \$5.7 million from 2000 – 2008. The number of scholarship recipients per year ranges from 300 – 400 students. Sealaska actively recruits from among the individuals in the scholarship database, and has recently secured former scholarship recipients for the positions of VP & Chief Financial Officer; VP, Corporate Secretary & Human Resources; VP & Chief Investment Officer; and VP & General Counsel. The ability to access this database ensures increased shareholder hire, including for positions in executive management at Corporate and at our subsidiaries.

Internships

Since 1981, more than 200 students have participated in the Sealaska internship program. The intern program provides current college students with real world job experience, as well as a salary and travel expenses. The program has been highly successful for both the students and for Sealaska. Sealaska’s benefit is a network of capable prospective employees who meet the requirements and policies for shareholder hire. Interns are placed both at corporate headquarters and at Sealaska’s subsidiaries or projects in and outside of Alaska. For example, in 2009, Sealaska placed interns at Sealaska Environmental Services in Washington State and at Nypro Kanaak-Alabama.

Sealaska and its subsidiaries currently employ 23 former interns. Sealaska Corporation employs 12 former interns, including officers. Sealaska Heritage Institute employs 4 former interns. Sealaska Environmental Services employs 3 former interns, one of whom is the General Manager. Finally, the General Manager for Synergy Systems is a former intern. Many of our interns are now also employees at other Native entities in Alaska, as well. Sealaska expects this trend of hiring interns at corporate and at the subsidiaries to continue and is proud of its long and successful history of managing a shareholder intern program.

Employment Opportunities

The Sealaska Board of Directors has established specific policies and procedures for the hiring of tribal member shareholders and has repeatedly defended its right of preferential hiring

of shareholders under the provisions of ANCSA. In addition to specific hire policies, the board compensates management for meeting specific shareholder hire goals and percentages. Sealaska's goal is to position shareholders to assume executive management positions at our corporate headquarters and within our subsidiaries. We have placed our shareholders in positions at 8(a) subsidiaries, including senior management at Sealaska Environmental Services, Managed Business Solutions and Synergy Systems.

Sealaska Heritage Institute

A significant portion of the benefits provided to Sealaska shareholders are administered through the Sealaska Heritage Institute (SHI). SHI is a 501(c)(3) organization established by Sealaska Corporation. Sealaska contributes funds on an annual basis to SHI for general administration, as well as for the scholarship programs. Sealaska contributed anywhere from \$1.2 million to \$2 million to SHI, annually, from 2000 - 2008. Through SHI, Sealaska provides the following benefits to shareholders:

- Scholarships
- Curriculum development and programs in Native culture and language
- Culture and Language camps
- The biennial "Celebration", a celebration of Native art, song and dance
- The support and perpetuation of Native Arts
- The creation and distribution of publications and videos about Native culture

SHAREHOLDER HIRE

The Sealaska Board of Directors has established specific policies and procedures for the hiring of tribal member shareholders and has repeatedly defended its right of preferential hiring of tribal member shareholders under the provisions of ANCSA. In addition to specific hire policies, the board compensates management for meeting specific shareholder hire goals and percentages. A key strategic goal of Sealaska is to build professional and managerial capacity among its tribal member shareholders, in order that they might assume executive management and other positions at headquarters and within our subsidiaries. This is made possible through our commitment to education through scholarships and internships.

Shareholder employment in Alaska generally averages around 80 percent. Shareholder employment becomes more challenging as Sealaska expands the geographic reach of its business operations. If you look at its domestic-only employment, Sealaska has approximately 21% shareholder hire overall. Sealaska makes every effort to seek out qualified shareholder candidates for placement in our various subsidiaries. We have been successful in placing shareholders or shareholder descendants in positions at our subsidiaries outside Alaska. For example, shareholder Derik Frederiksen is the General Manager at Sealaska Environmental Service, LLC – a company that also employs seven additional shareholders in Washington State (23% shareholder hire). Shareholder Jon Duncan is a Vice-President at Managed Business Solutions, LLC, and shareholder Bob Wysocki is the General Manager at Synergy Systems.

The Subcommittee must note that in most of our communities our younger shareholders or shareholder descendants are the first-generation to earn college degrees. To see second-

generation college degree recipients in our communities is a rarity. We are working very hard to build the capacity for business management. Our continued commitment to the internship and scholarship program is now the foundation of our ability to place skilled tribal member shareholders in management positions throughout our organization. The long-term trends of employment at Sealaska companies prove that our early investments in young tribal member shareholders and shareholder descendants are paying off. We expect to see continuing growth in the placement of tribal member shareholders in our companies well into the future.

CONCLUSION

Sealaska continues to represent a large number of socially and economically disadvantaged tribal member shareholders and communities. We will continue to work towards addressing the needs of our tribal member shareholders and communities, and the SBA's 8(a) program is one program that has proven successful in helping us reach some of our goals. Thank you for the opportunity to submit a written statement on behalf of Sealaska Corporation regarding the SBA's 8(a) Business Development Program.

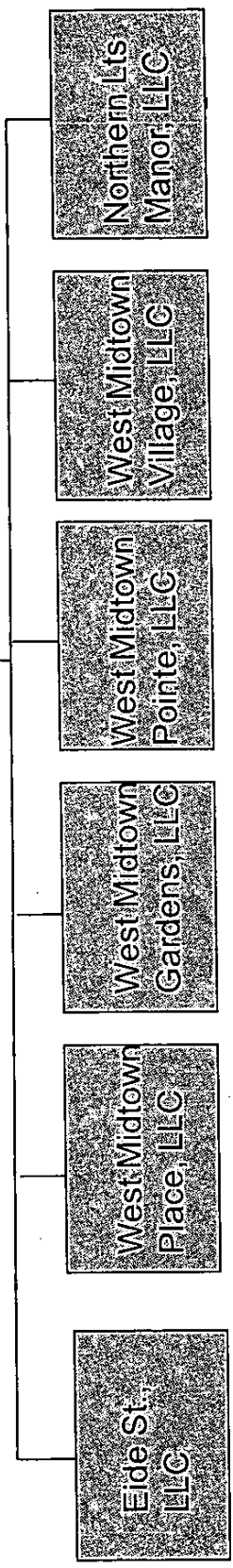
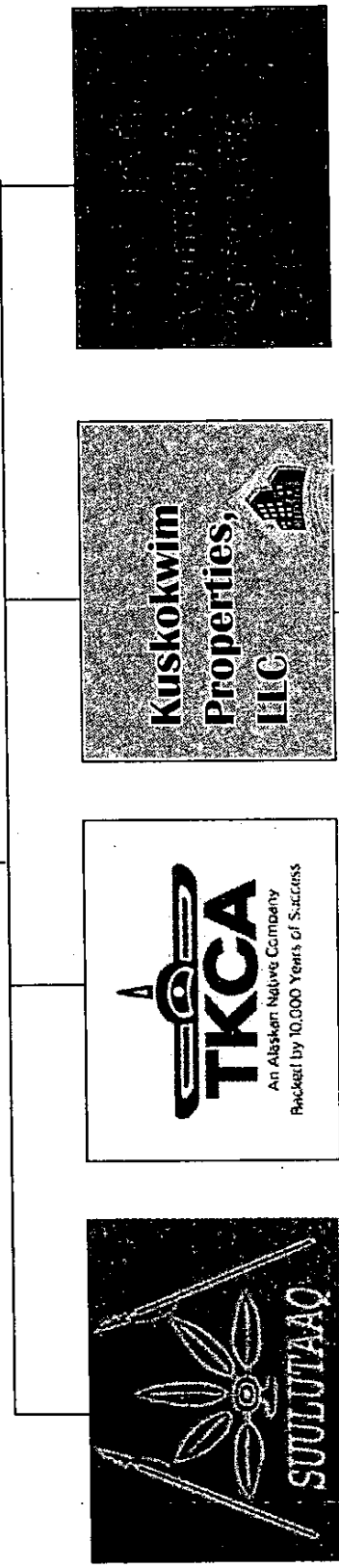
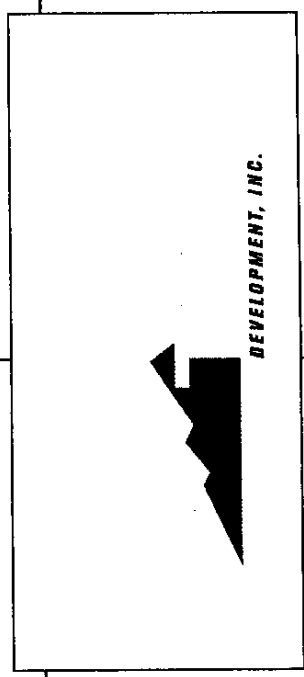
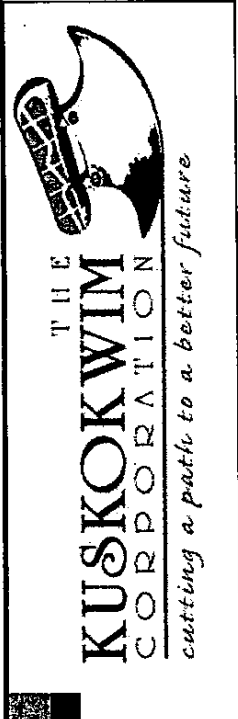
The Kuskokwim Corporation



Maver Carey

President/CEO

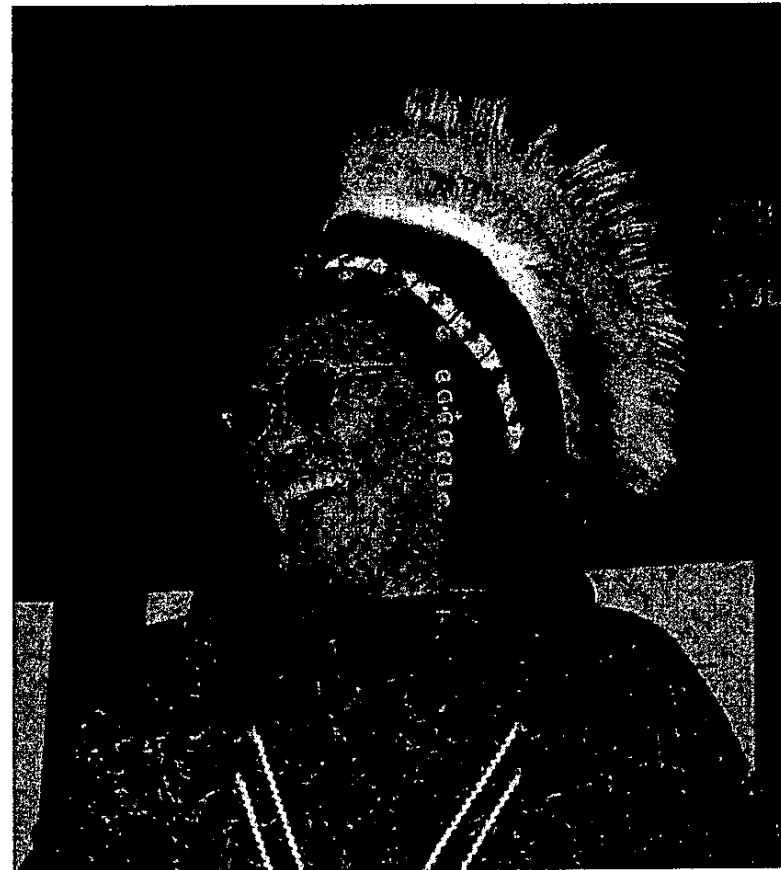




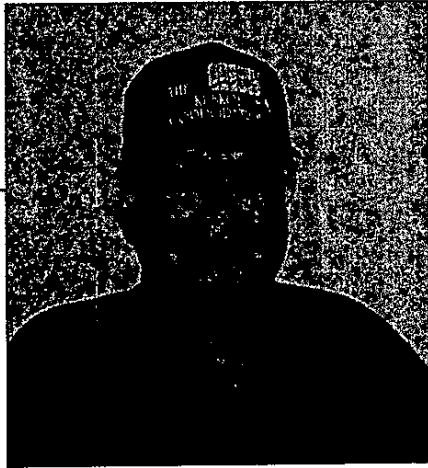
Who We Are



- ❑ Alaska Native Claims Settlement Act Village Corporation (ANCSA)
- ❑ Managed by a 12 member Board
- ❑ Ten Village Corporation's merged together in 1977
- ❑ Money and Resources Pooled Together



Board of Directors



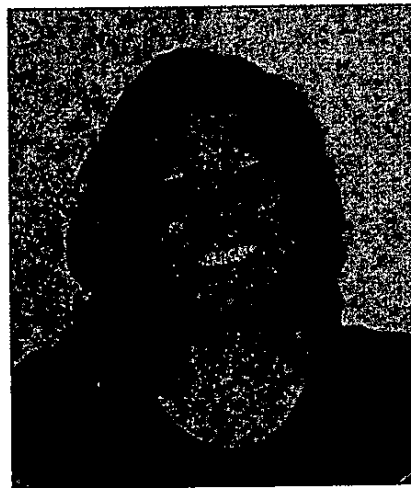
Leo Morgan
Chairman



Wassilie Kameroff
Vice Chairman



Kathleen Hoffman
Secretary/Treasurer



Mona Morrow
Seat A



Herman Morgan
Seat B



Angela Morgan
Seat C

Board of Directors



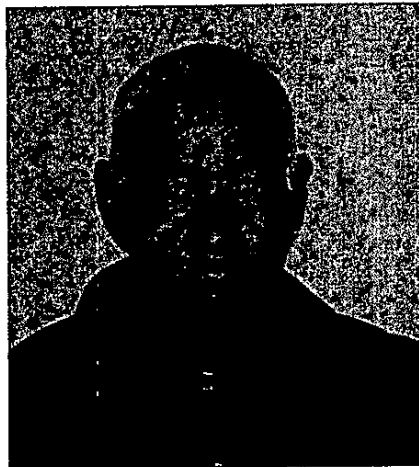
Jaylene Peterson-Nyren
Seat D



Jeff Nelson
Seat F



Lorraine Egnaty
Seat G



Iyana Gusty
Seat I



Marce Simeon
Seat K



Dunia Morgan
Seat L

Anchorage Office Staff



Maver Carey
President/CEO



Rachel Klein
COO/Land Manager



Sally Hoffman
Aniak Office Manager



Renee Fredericks
VP of Suulutaaq



Tara-Jo Brown
Controller/HR



Marie Yako
Executive Administrator

Anchorage Office Staff



Kimberly Gregory
Shareholder Rel./Admin Assist



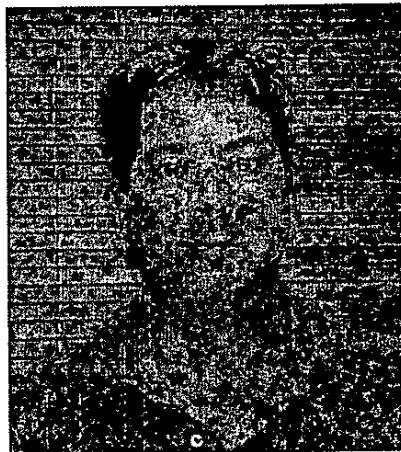
Daisy Phillips
Receptionist/Admin Assist.



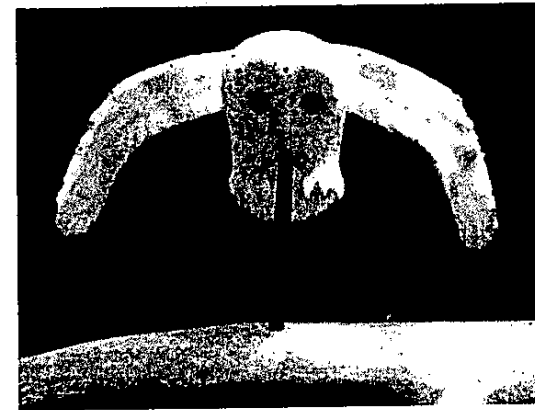
Ember Steadman
Land/Admin Assist.



Cheryl Tanner
Accounting Assistant



Sam Boyle
President of Suulutaaq
CEO of TKC Aerospace



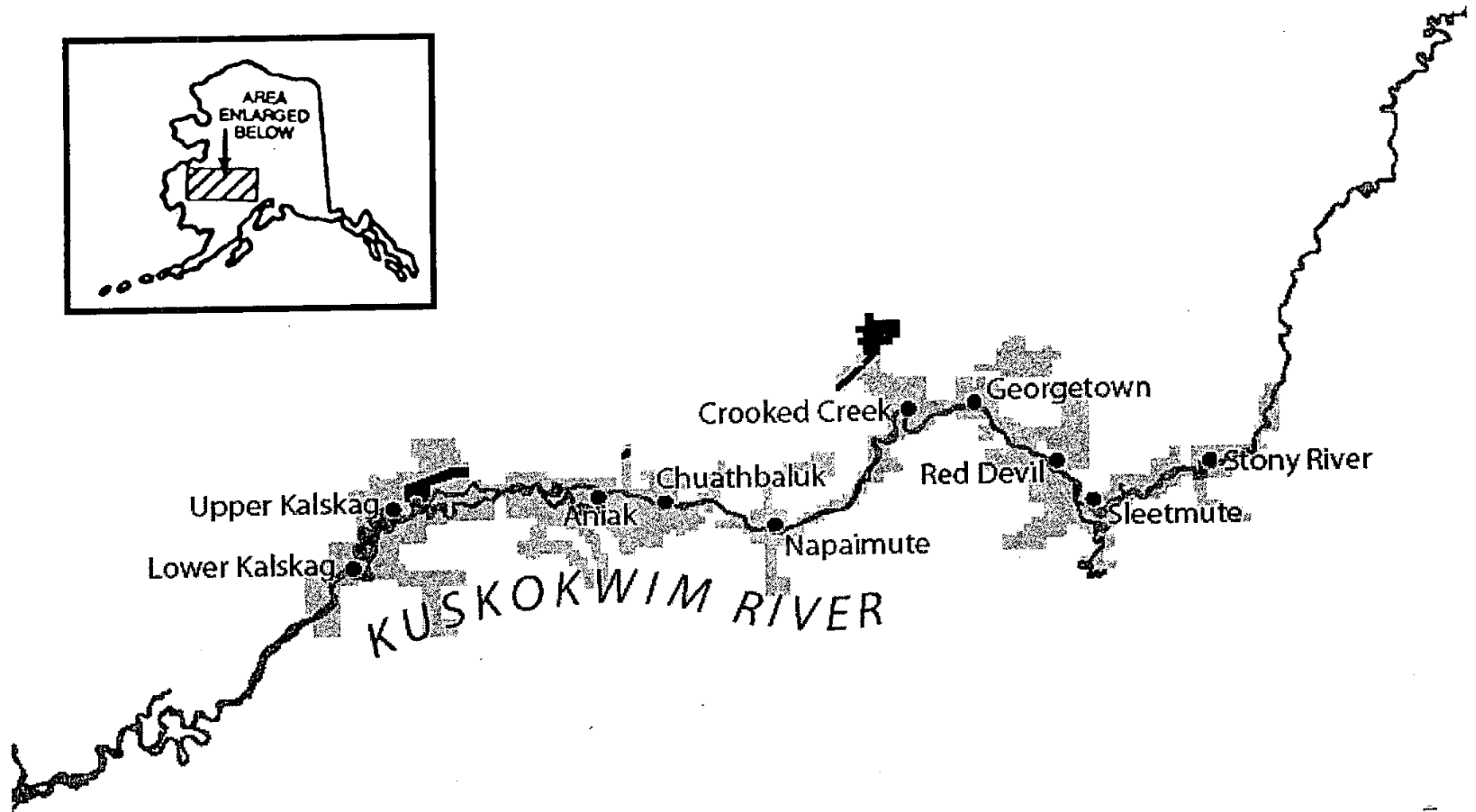
10 Village Corporations Merged to form TKC

- ❑ Aniak
- ❑ Upper Kalskag
- ❑ Lower Kalskag
- ❑ Chuathbaluk
- ❑ Napaimute,
- ❑ Crooked Creek,
- ❑ Red Devil,
- ❑ Georgetown,
- ❑ Sleetmute, and
- ❑ Stony River

April 25, 1977

The Kuskokwim
Corporation

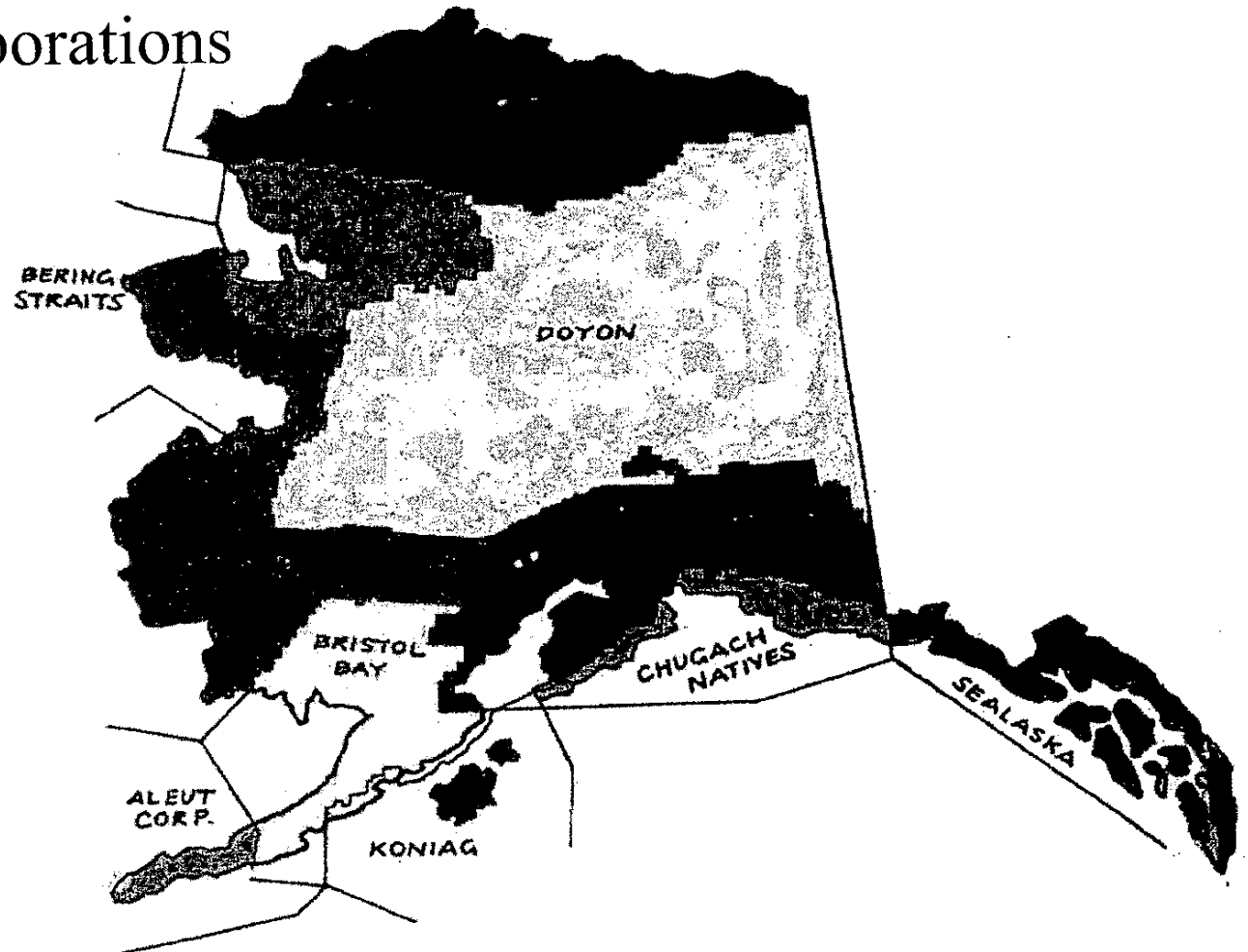
10 Villages, Located along the Middle Kuskokwim River



ANCSA Corporations 1971

13 Regional Corporations

200+ Village Corporations

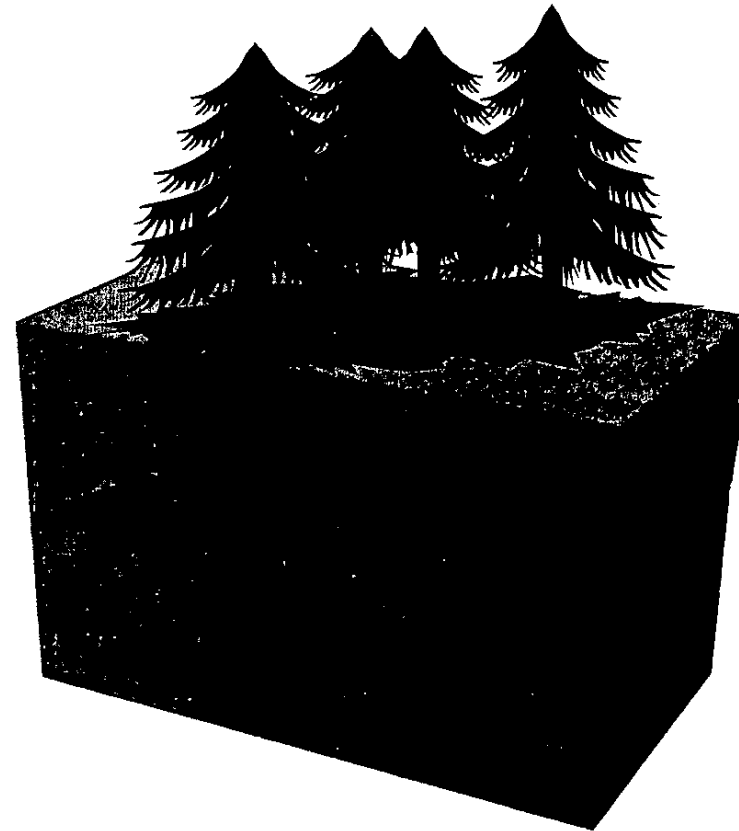


TKC Surface Estate Land Owners (own over 950,000 acres)

□ TKC



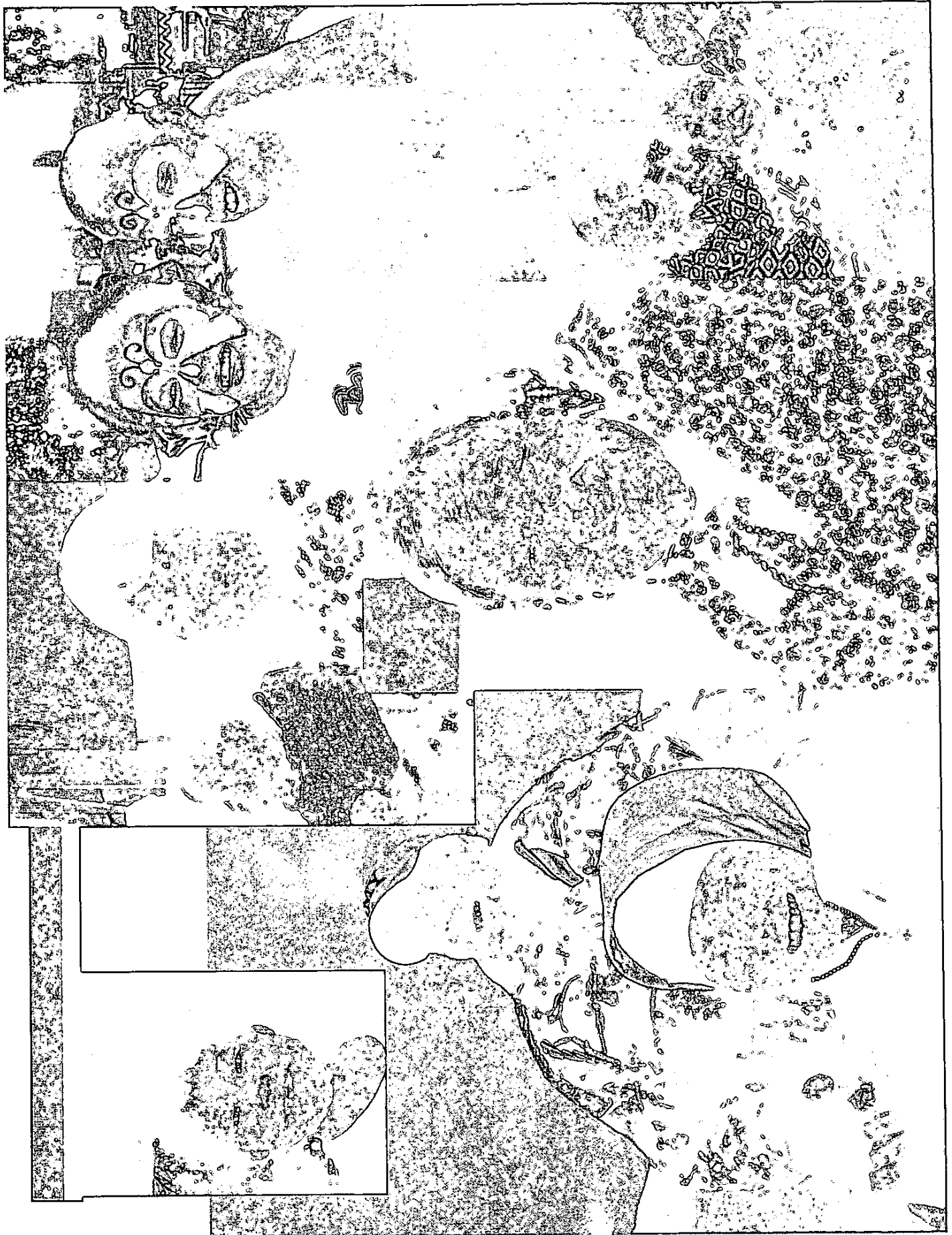
□ Calista



Over 3,100 Shareholders

- Yupik Eskimo/Athabascan Indian Descent
- Initially had 1,100 original shareholders
- Began enrolling our children in 1994

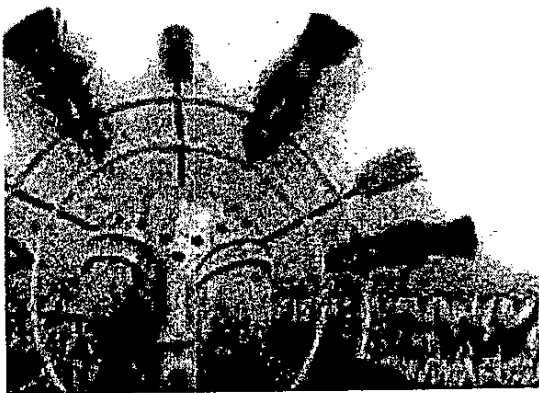




Our Vision

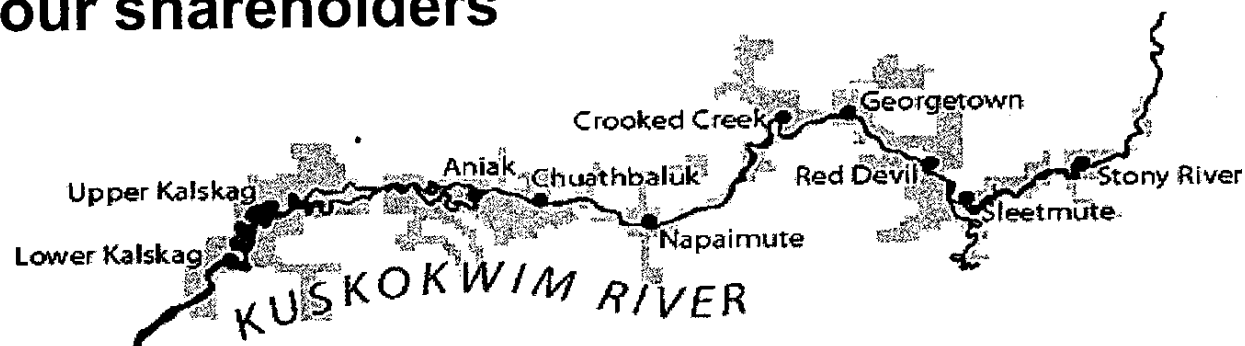
By 2015, TKC is shareholder-managed \$100 million asset value Alaska Village Corporation

- We will support the goals of our shareholders through scholarships, education/training opportunities, dividends and employment
 - We will develop successful businesses in and out of our region
 - We will responsibly develop our land for both modern and traditional uses
 - We will strengthen ties with our shareholders

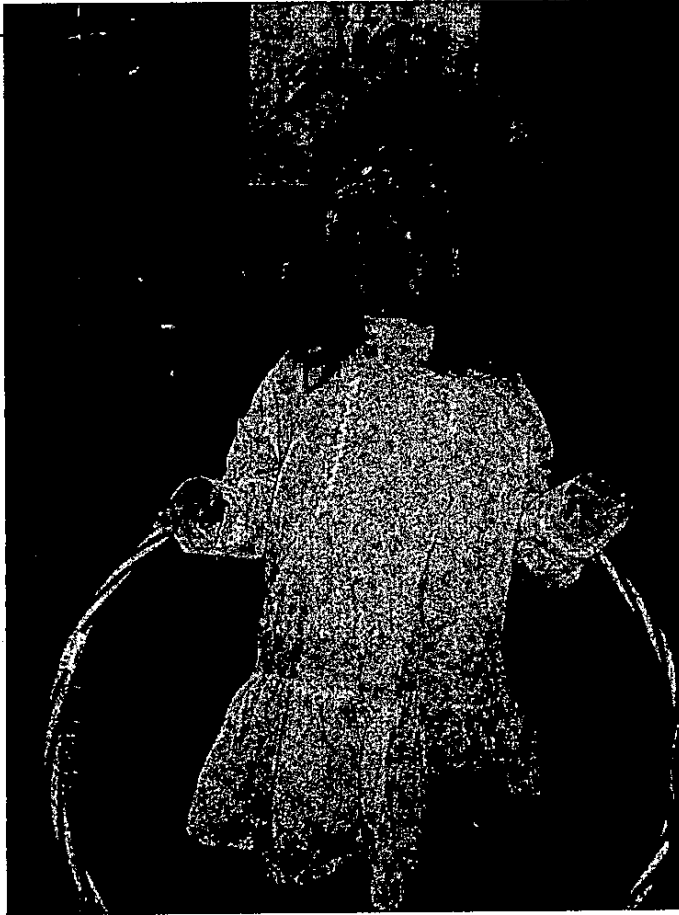


Our Purpose

- To enhance our land, culture and the lives of our people
- To successfully grow the company financially
- To provide educational awareness and support to our shareholders



Culture/Economy



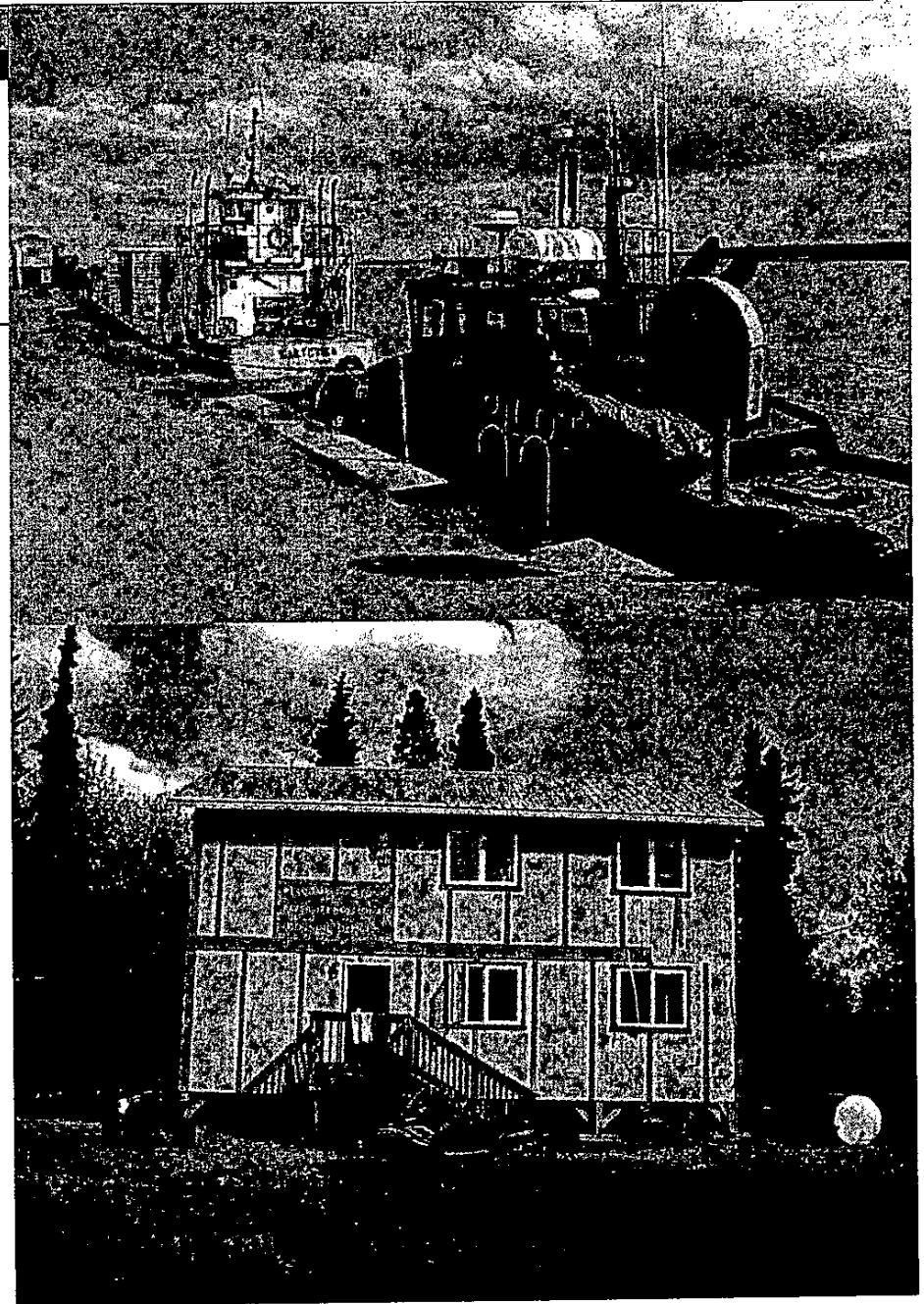
- Getting ready for the fishing season in Stony River, AK



* Data taken from the State of Alaska Community Database/Bethel Census Area

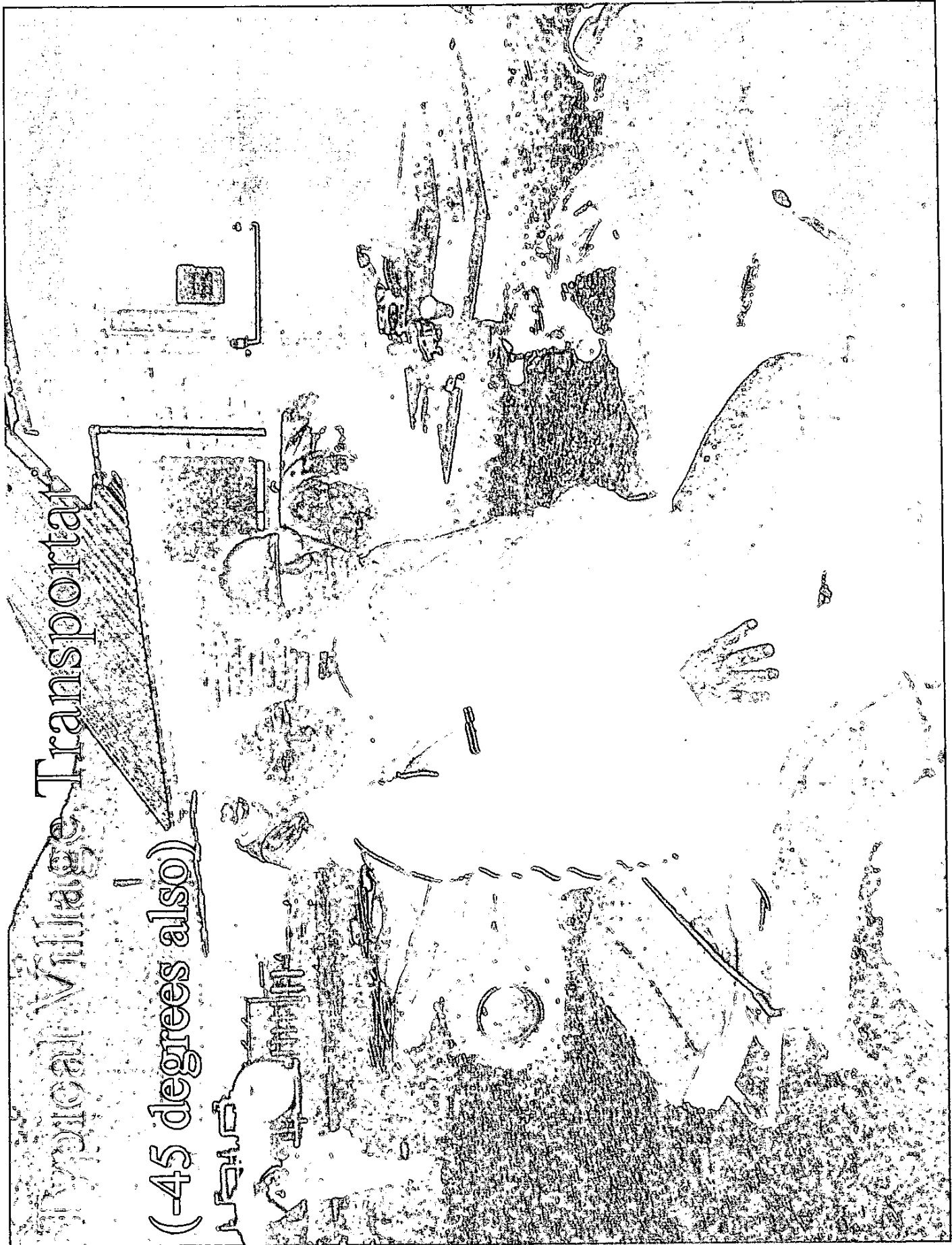
Economy/ Transportation

- ❑ Barges deliver cargo and bulk fuel
- ❑ Few income opportunities
- ❑ Firefighting can provide seasonal income
- ❑ Employment Opportunities are limited to the School, Store, Tribal Council office,



Access limited to air and water

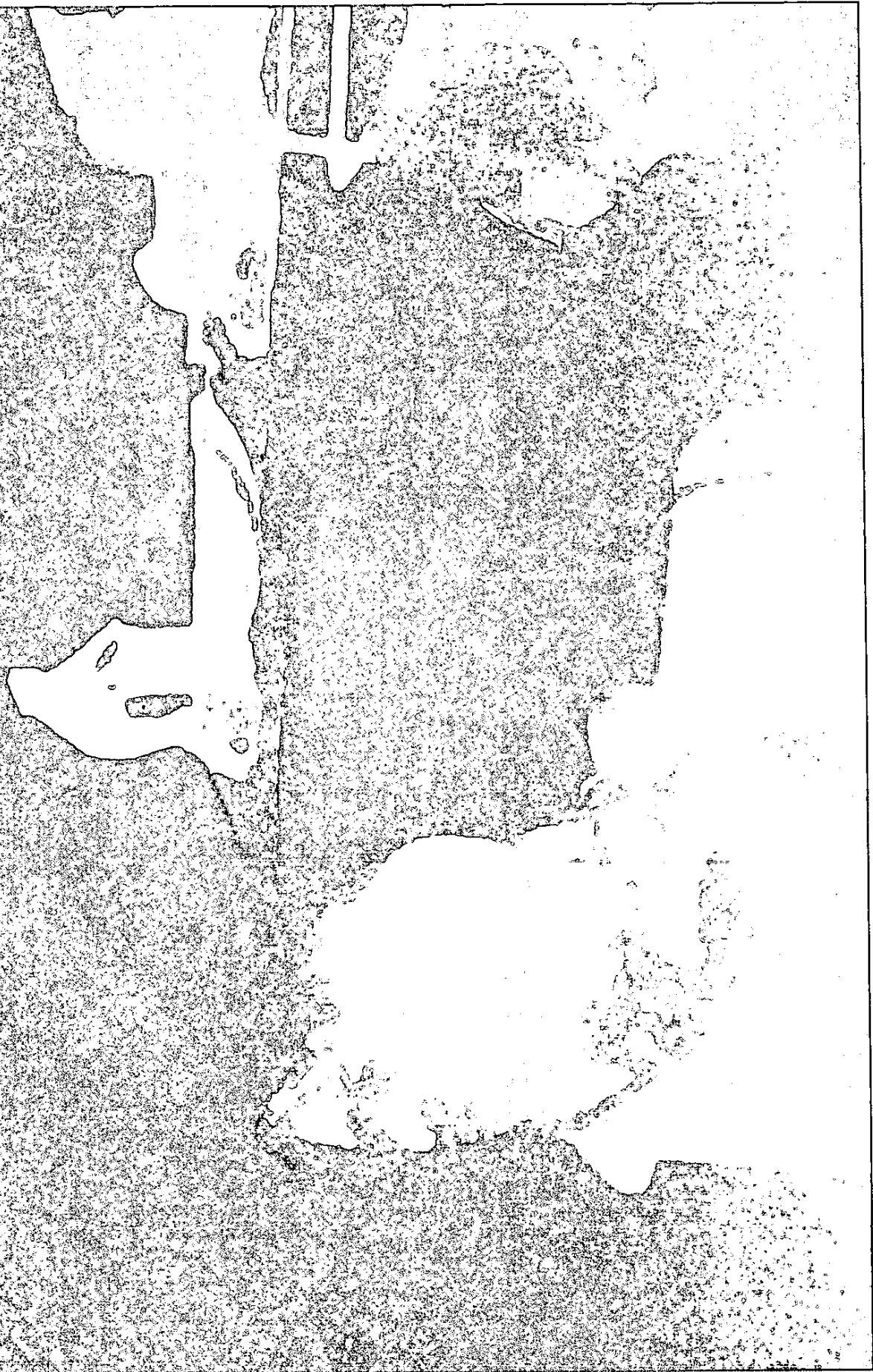




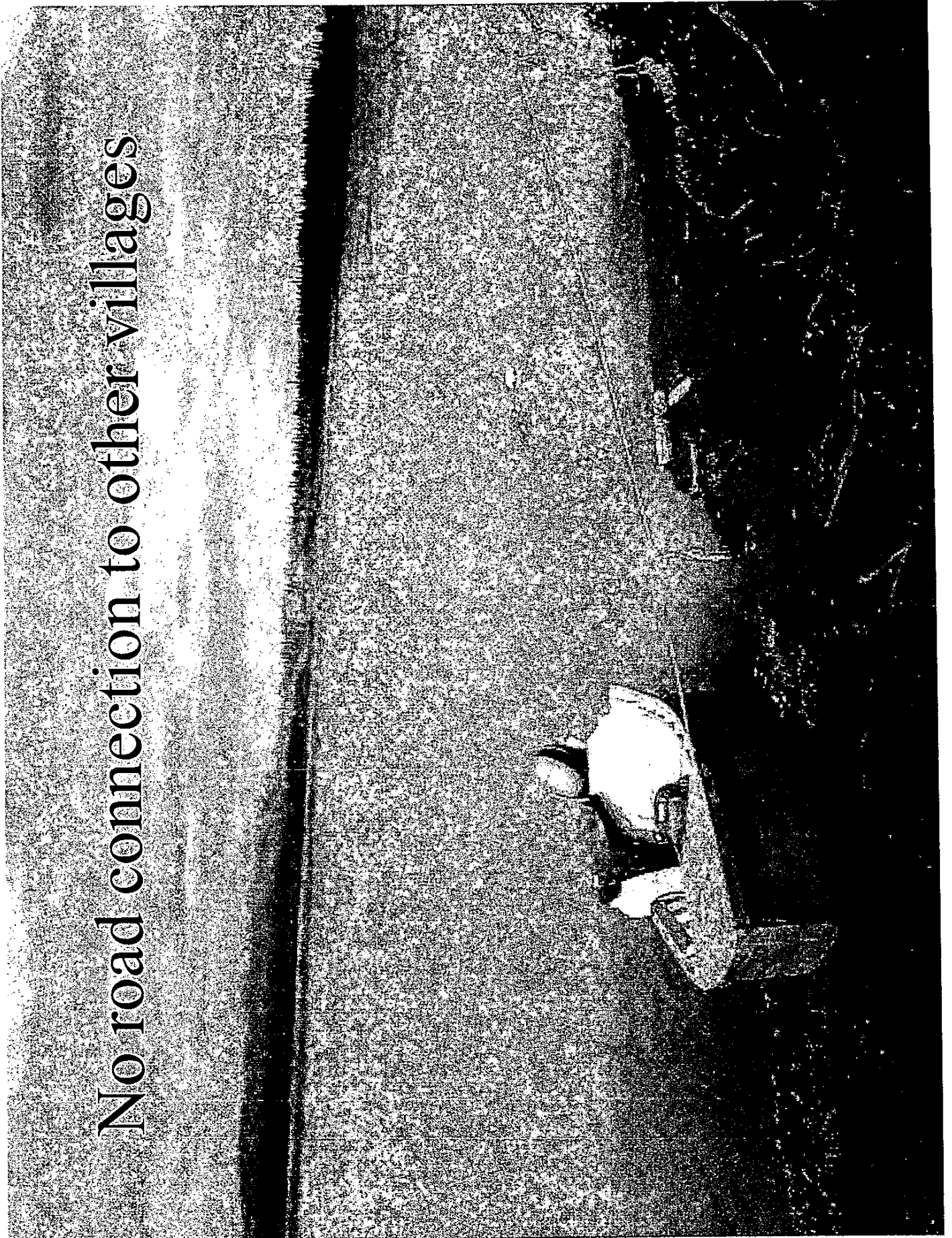
Typical Village Transportat

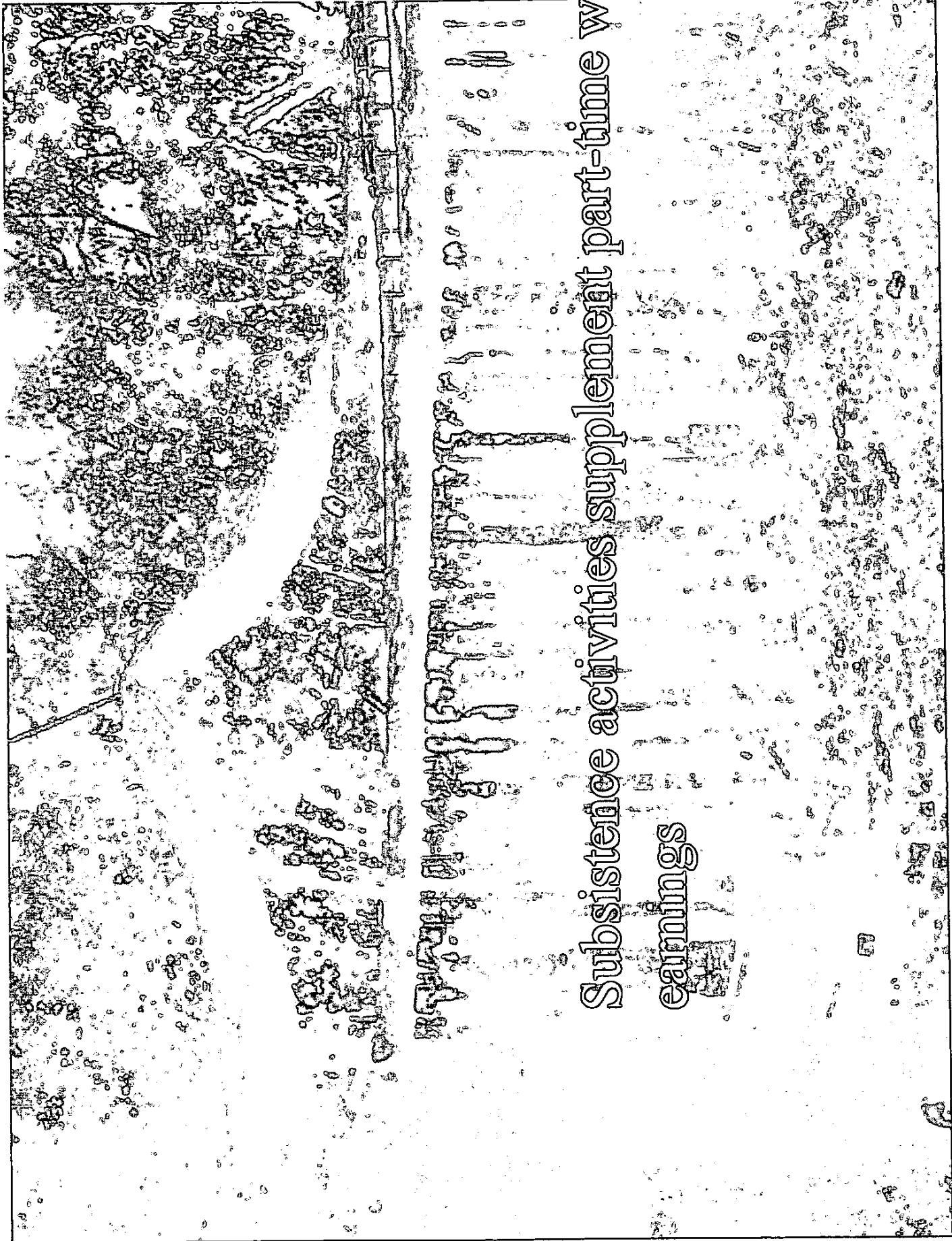
(-45 degrees also)

For those villages without running water, hauling ice from the river is a typical chore for village residents



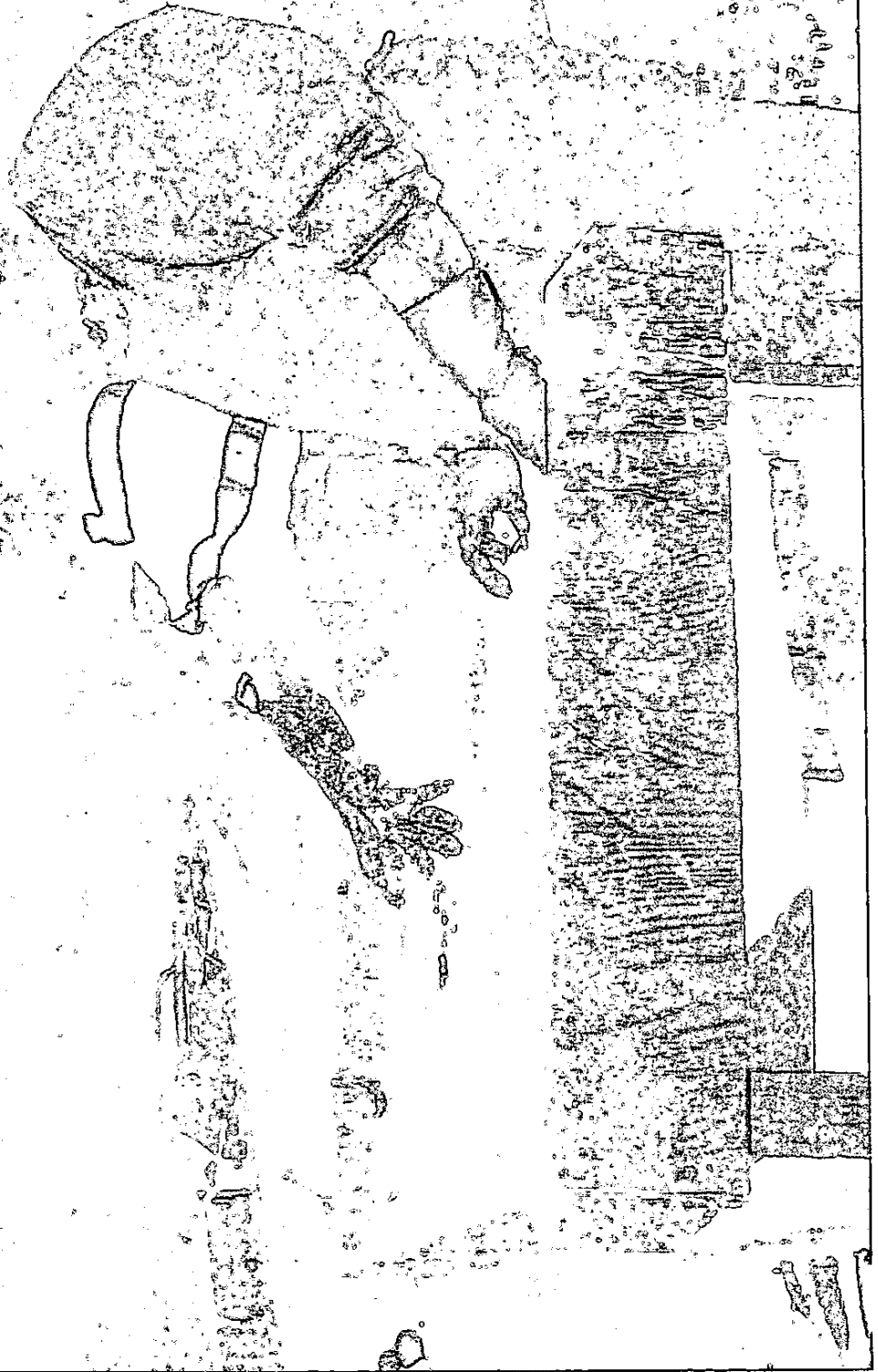
No road connection to other villages

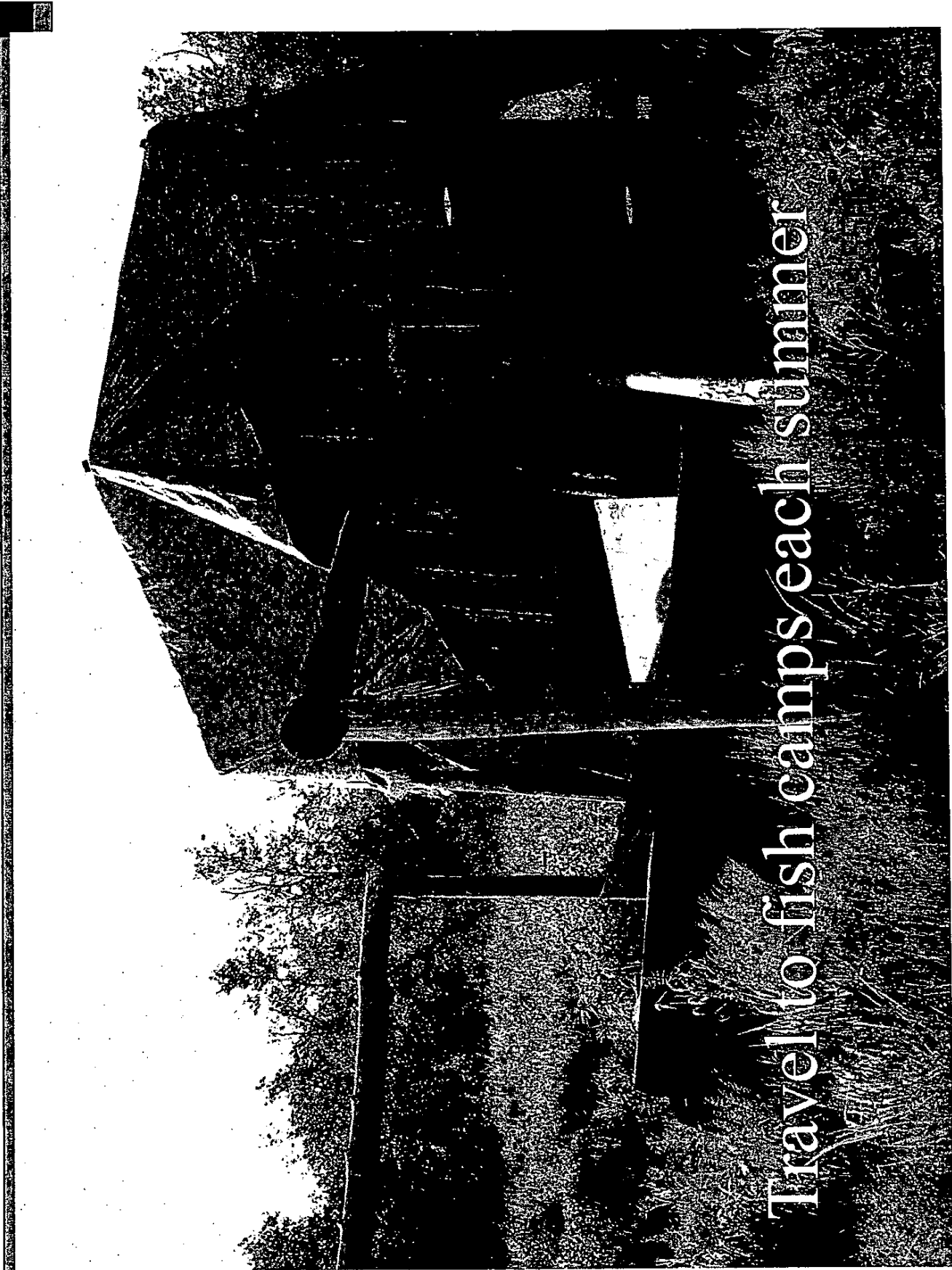




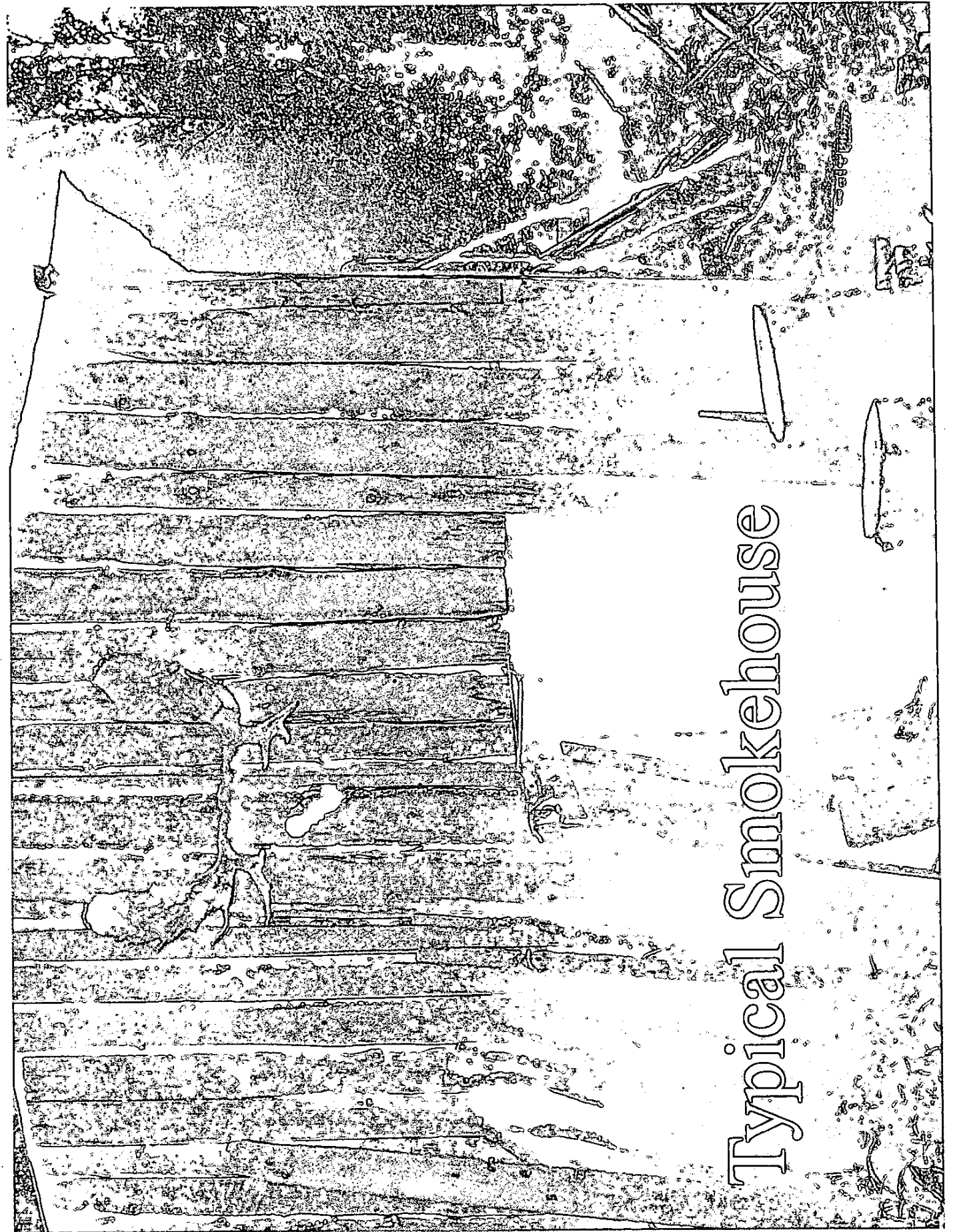
... depend heavily on subsistence foods

Salmon, moose, caribou, bear, porcupine, waterfowl and berries
are harvested





Travel to fish camps each summer



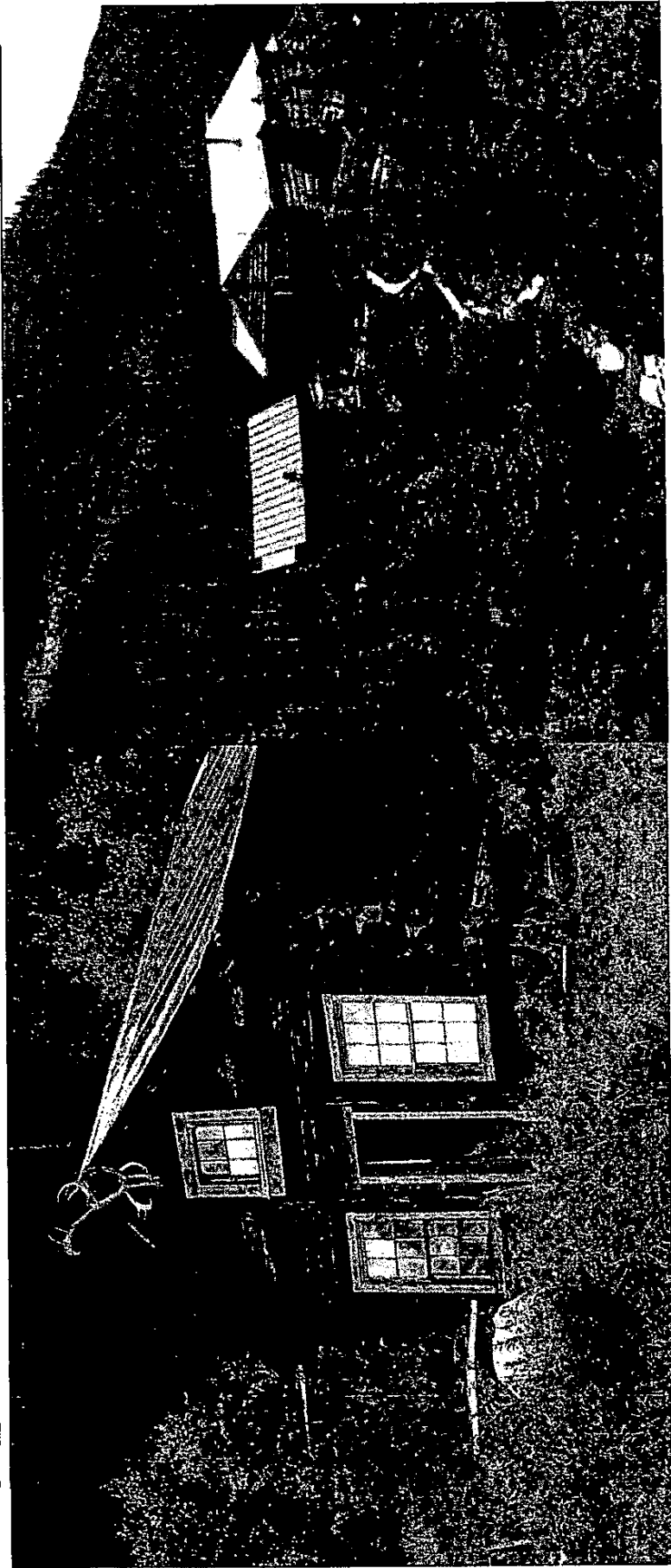
Typical Smokehouse

Stony River, Alaska

- ❑ Population 56
- ❑ Only 2 homes have running water
- ❑ 1 home has a flush toilet



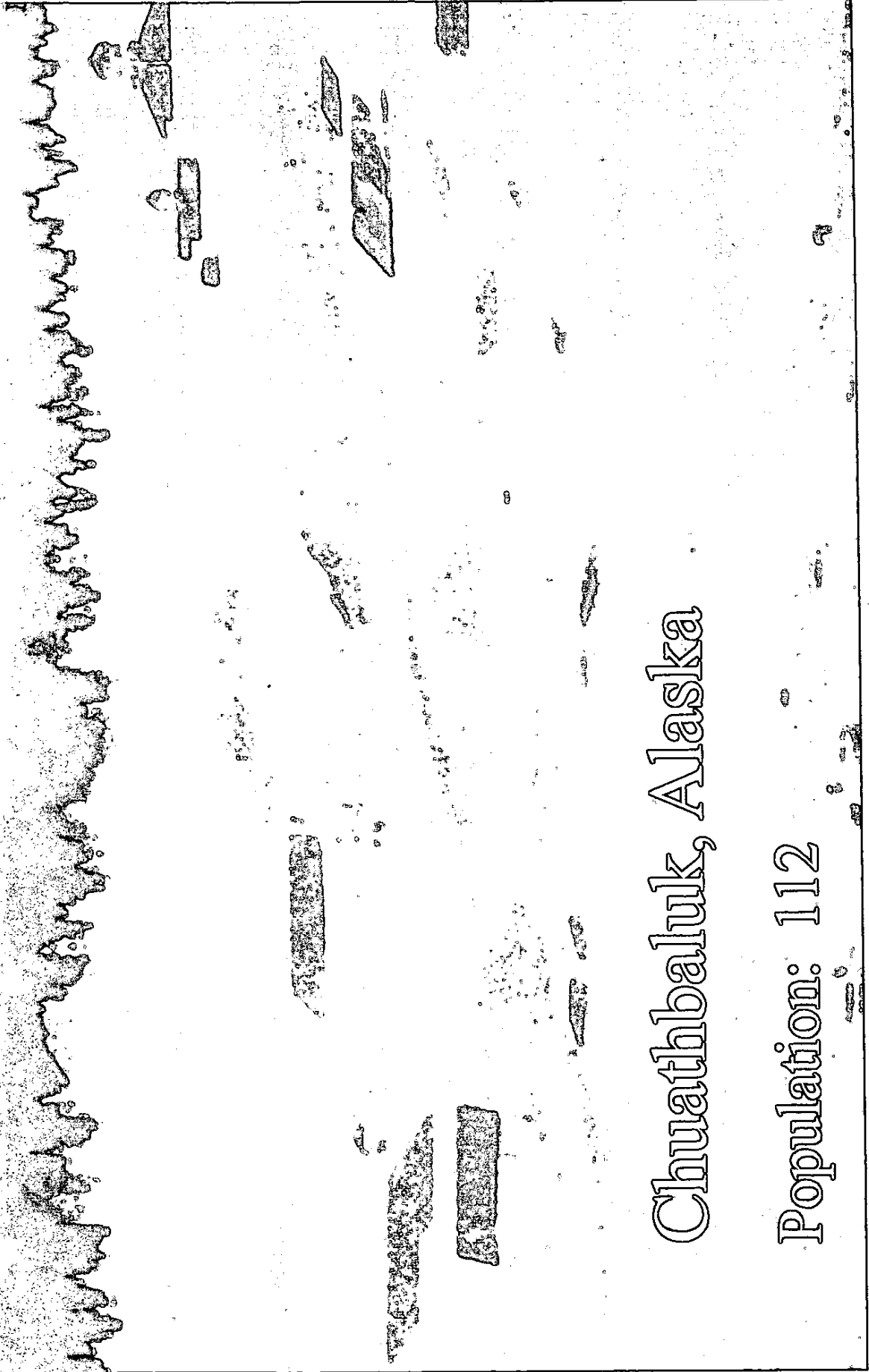
Typical Home Rural Alaska





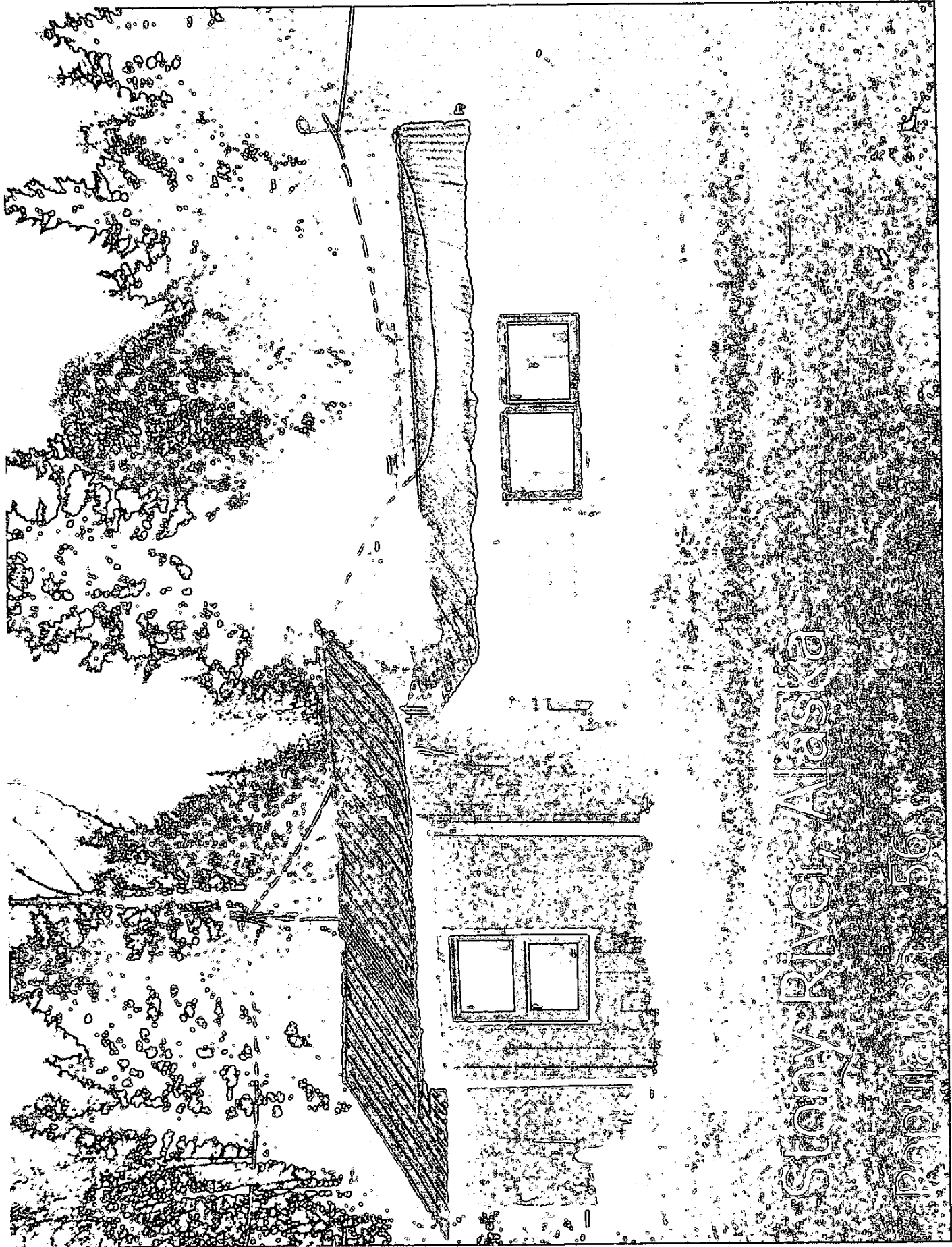
Crooked Creek, Alaska

Population: 144



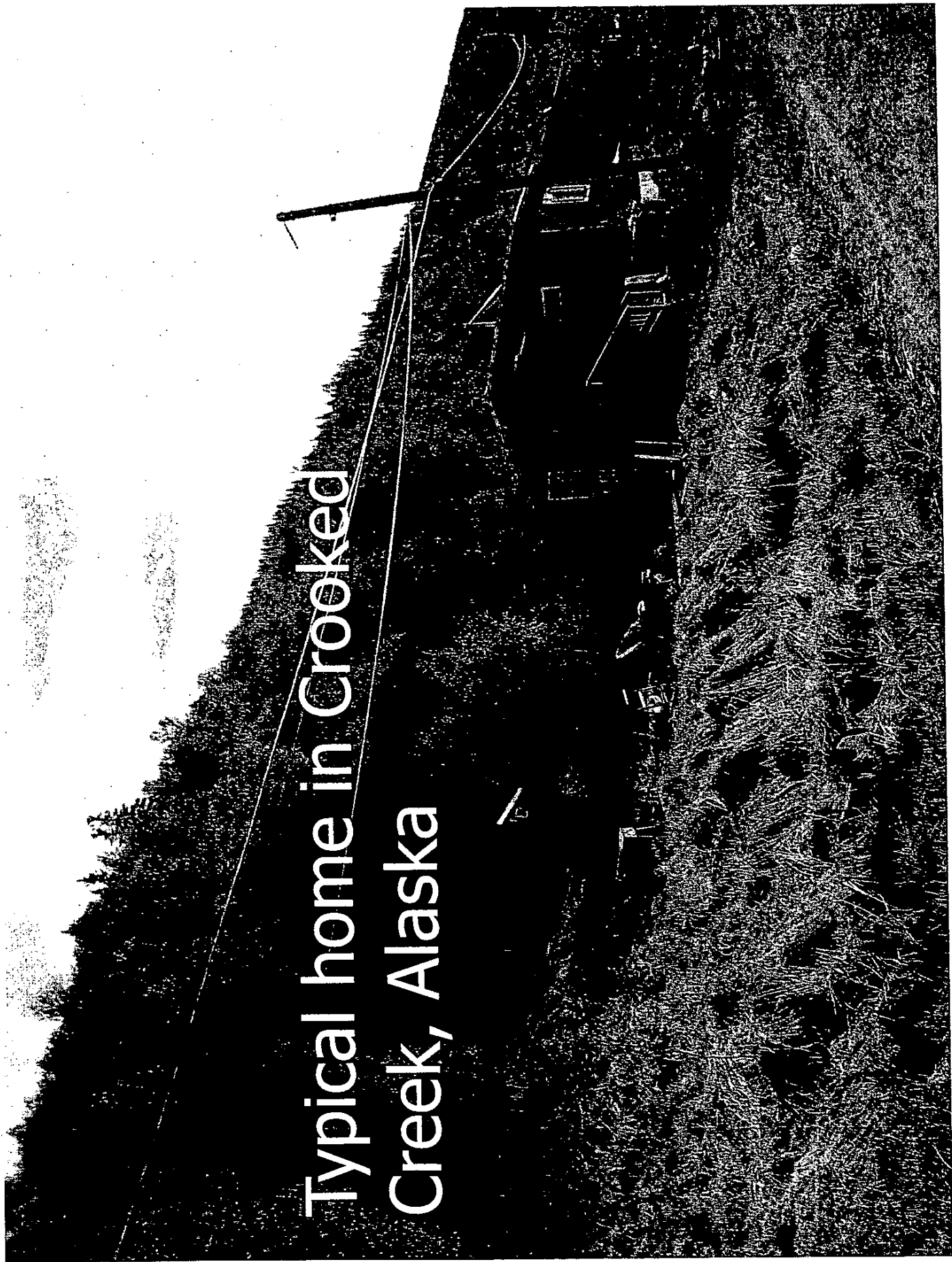
Chuathbaluk, Alaska

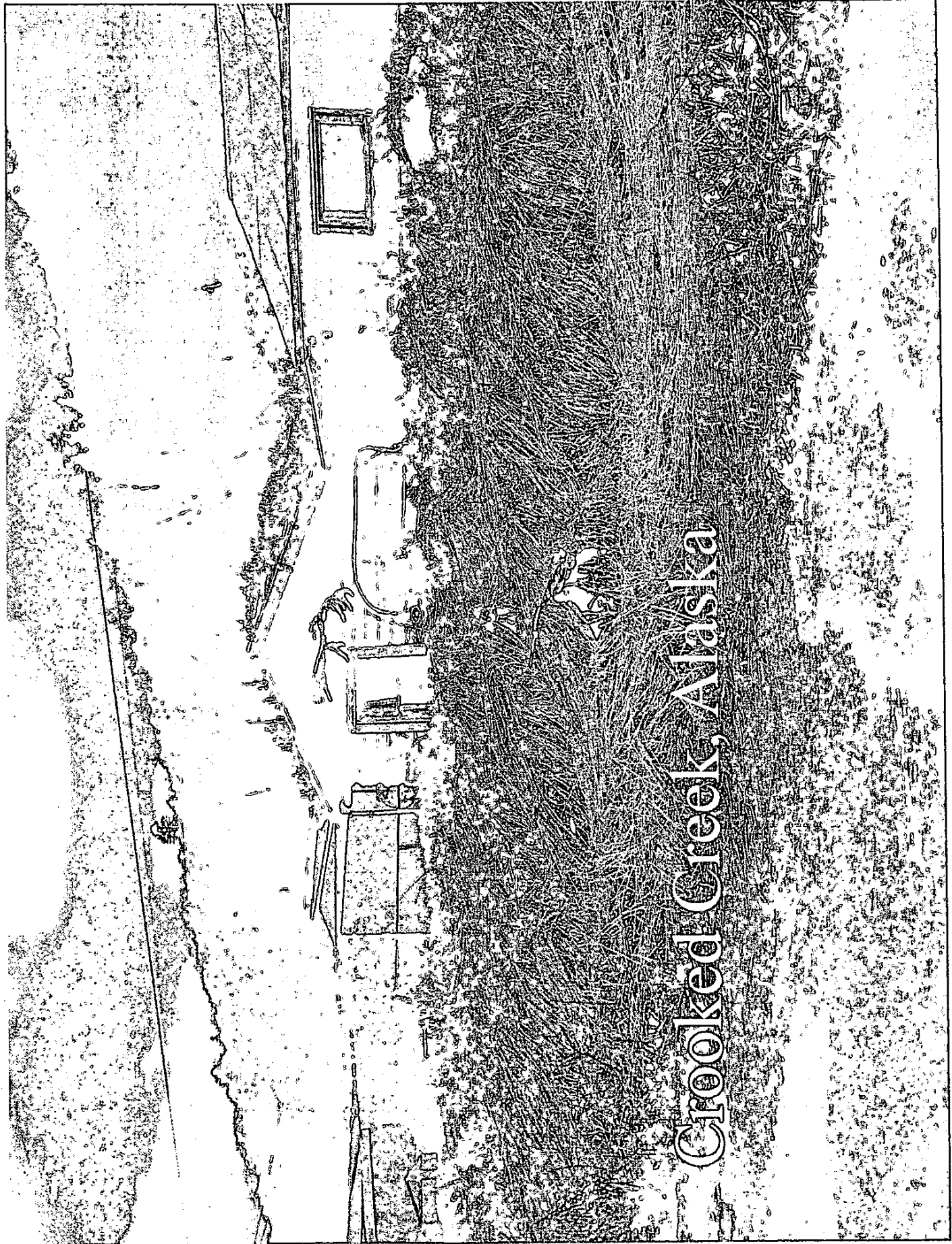
Population: 112



STONY RIVER, ALASKA
P. 100

Typical home in Crooked Creek, Alaska





Crooked Creek, Alaska

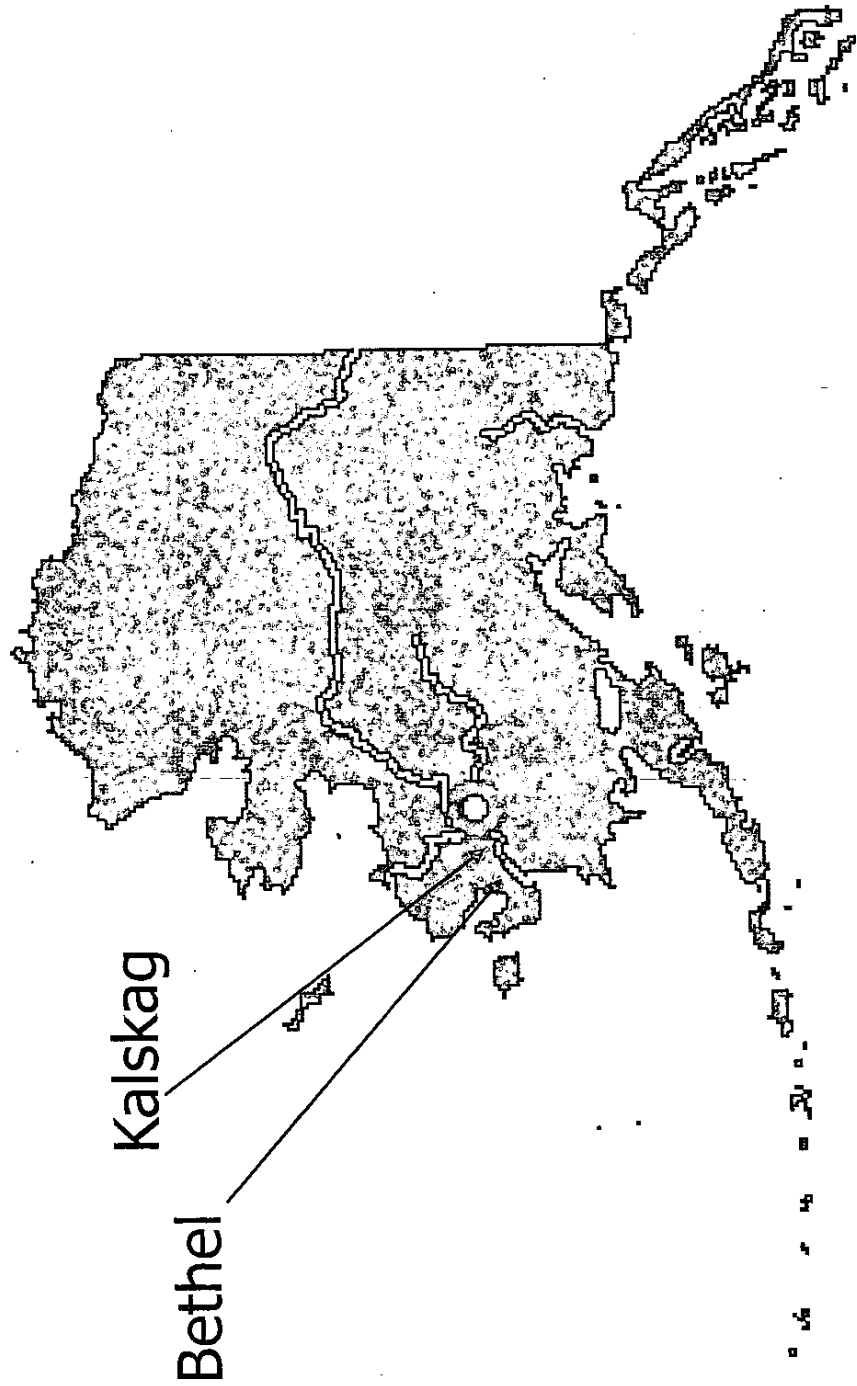
Cost of Living



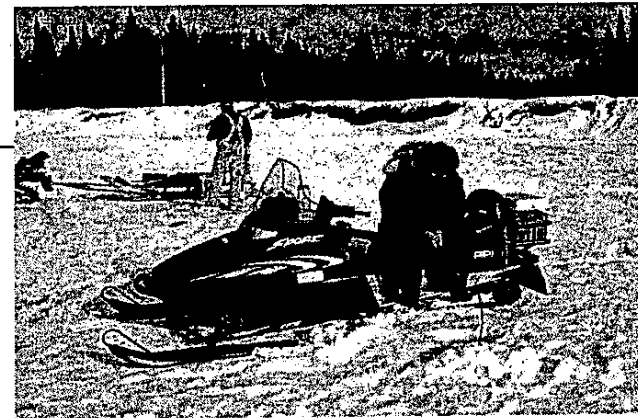
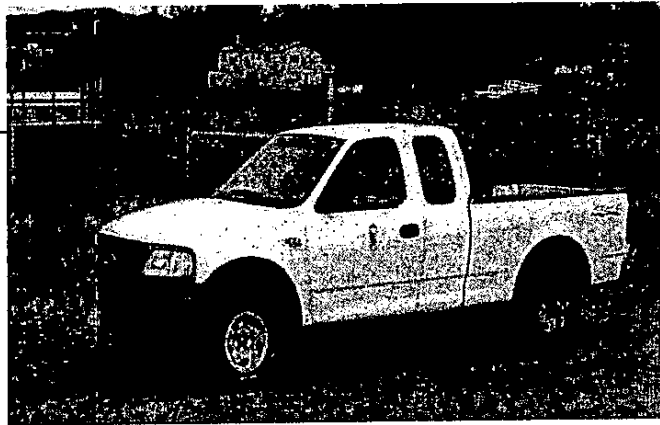
Cargo shipments or barge shipments for groceries into the hub city of Aniak is costly



Aniak, Alaska



Vehicle/Snowmachine Purchase Kalskag, AK



Purchase Price:

Ship to Village:

Average Gas/gal:

Gas/Year:

Gas/Month:

Car/Truck

Snowmachine

\$15,000

\$8,000

\$3,500

\$1,500

\$5.50

\$5.50

\$3,850

\$1,925

\$320

\$275 (7 mo.)

Comparison

Village \$5.50/Gallon

Gas/Year:	\$3,380	\$1,925
Gas/Month:	\$ 282	\$ 275 (7mo.)

Anchorage \$2.80/Gallon

Gas/Year:	\$1,720.71	\$977.45
Gas/Month:	\$ 143	\$ 139 (7mo.)

*700gal/yr. & 58 gal/mo. for vehicle

350 gal/yr. & 30 gal/mo. for snowmachine

Flight Costs

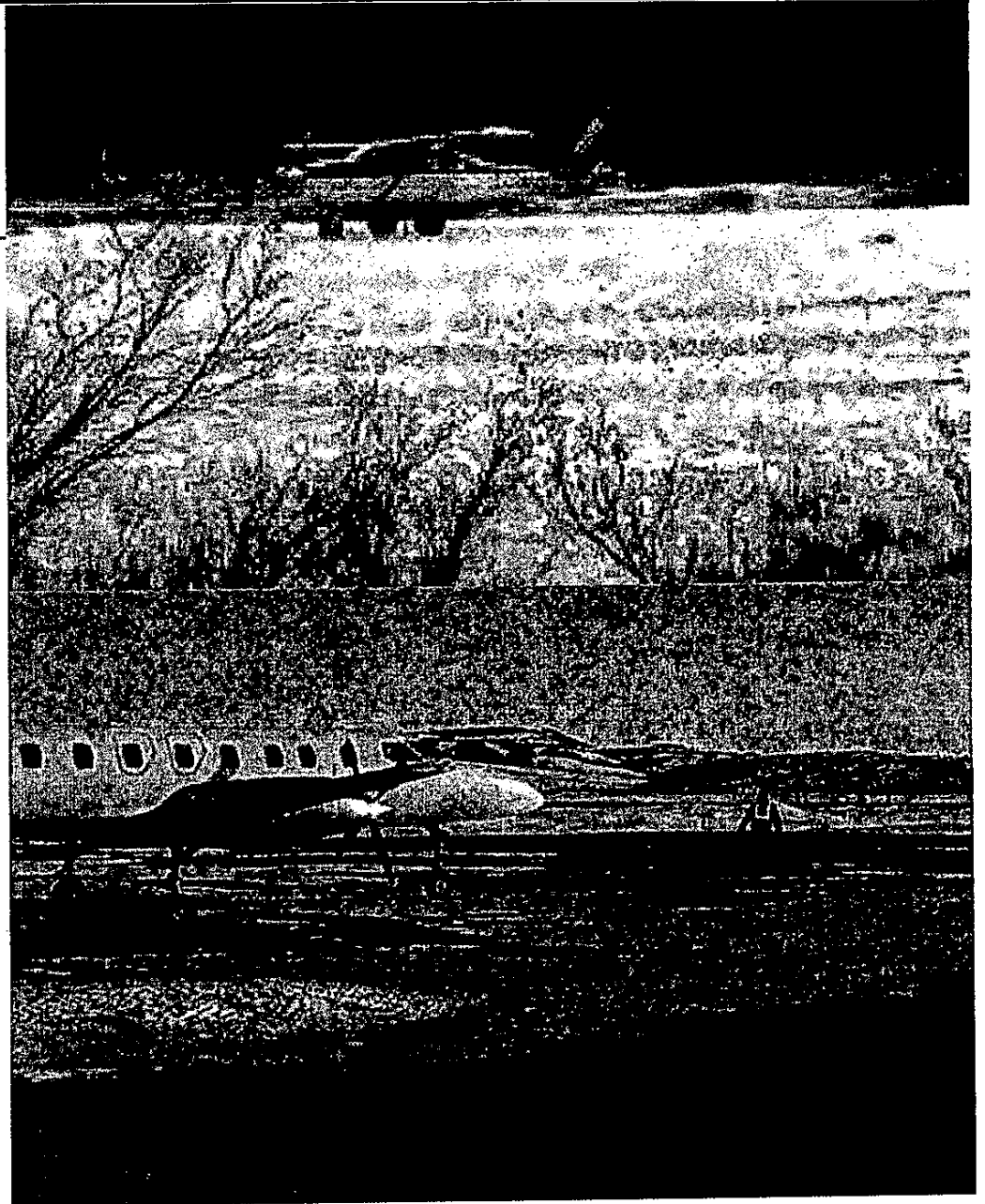
Stony River to Aniak

\$375.00

Aniak to Anchorage

\$670.00

\$1,045.00



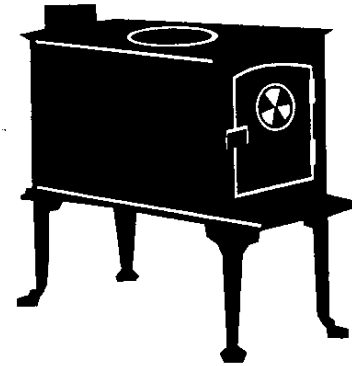
Current Gas Prices (2008 prices)

- Aniak \$4.79 gallon
- Crooked Creek \$5.95 gallon
- Red Devil \$8.00 gallon
- Sleetmute \$6.35 gallon

- Anchorage \$2.89 gallon

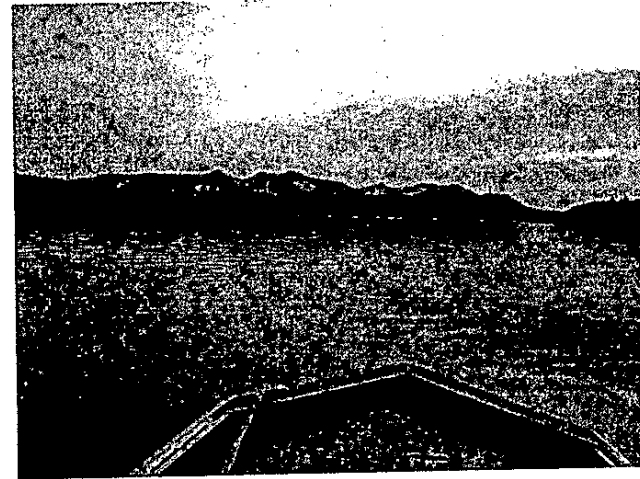
Average Stove Oil (2008 prices)

- \$3,500 - \$4,000/yr.
- \$290 - 333/mo.



Average Boat Fuel

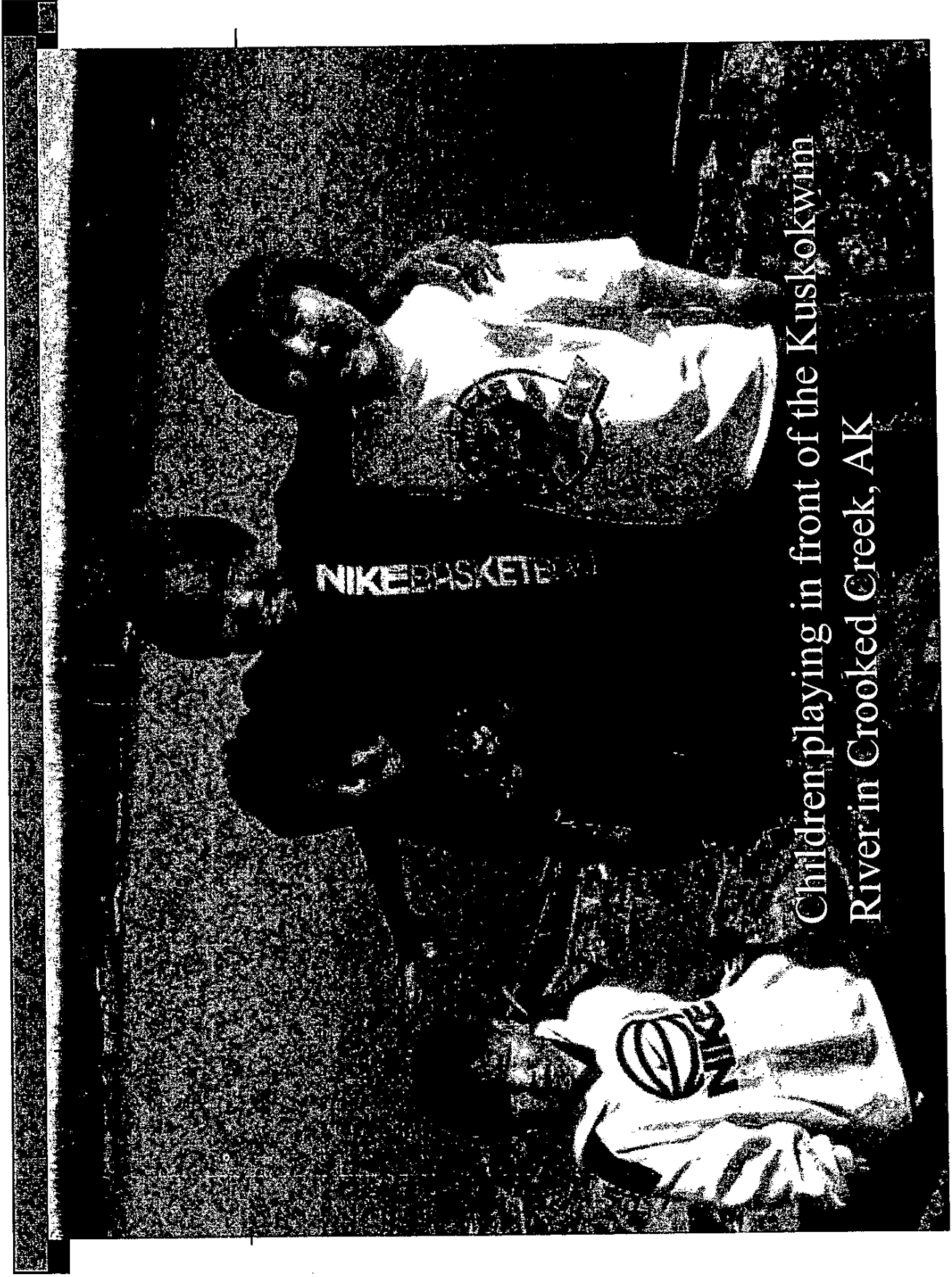
- \$5,000/yr.
- \$1,000/mo. (5mo.)



Average Cost of Basic Groceries (2008 prices)

	Aniak	Stony River	Anchorage
□ Gallon of Milk	\$8.99	\$8.00	\$3.35
□ Lb of Butter	\$5.99	Non available	\$2.59
□ Dozen Eggs	\$4.19	\$4.00	\$1.89
□ White Bread	\$4.00	\$4.50	\$0.99
□ Qt of Mayo	\$5.00	\$5.00	\$2.29
□ Hamb. Meat	\$5.55#	\$4.89#	\$1.28#
□ Steak	\$6.88#	\$15.30#	\$3.29#





Children playing in front of the Kuskokwim
River in Crooked Creek, AK

Economy - Village vs. Anchorage (2007 data)

	Aniak	Stony River	Anchorage
Current Population	512	53	282,813
Median Family Income	\$43,750	\$20,714	\$63,682
Percent Below Poverty:	14%	38.7%	7.4%
Total Potential Workforce:	398	49	192,782
Total Employment:	232	13	134,240
Percent unemployed:	13.1%	38.1%	6.8%

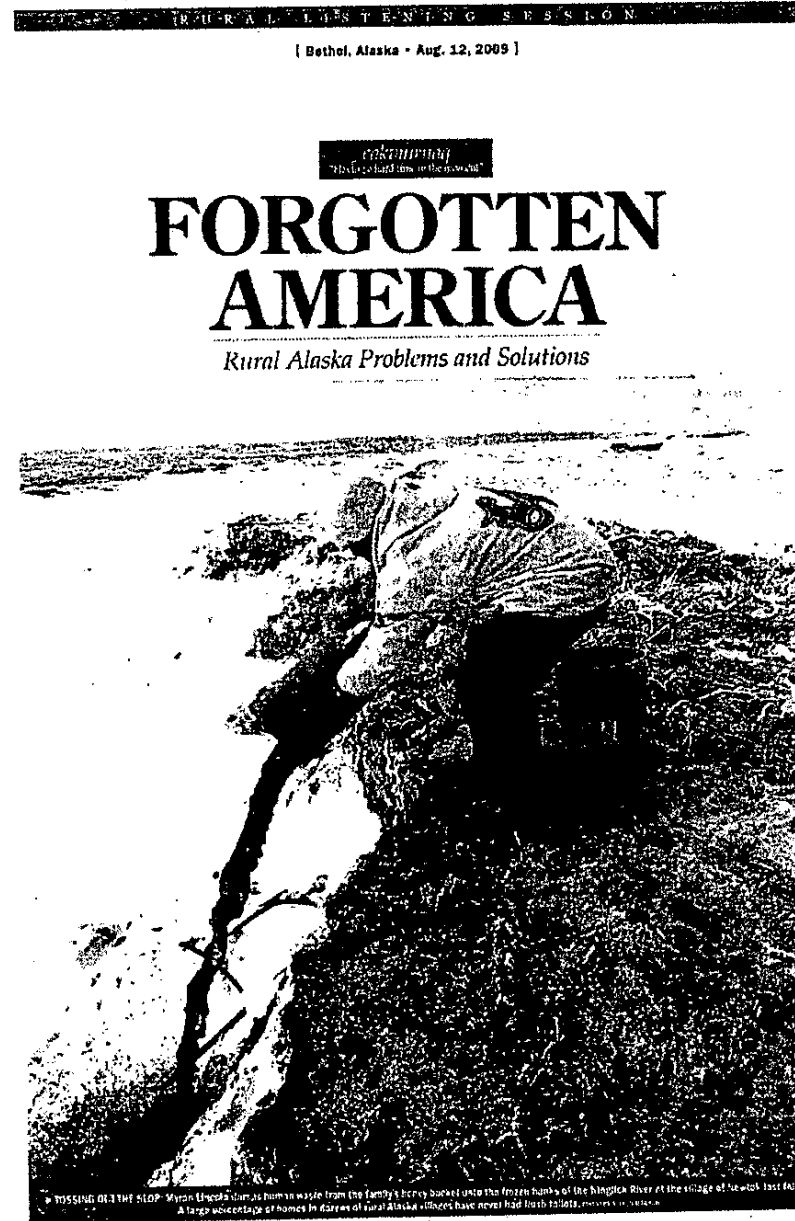
As of August 2007:

State of AK Average unemployment: 6.1%

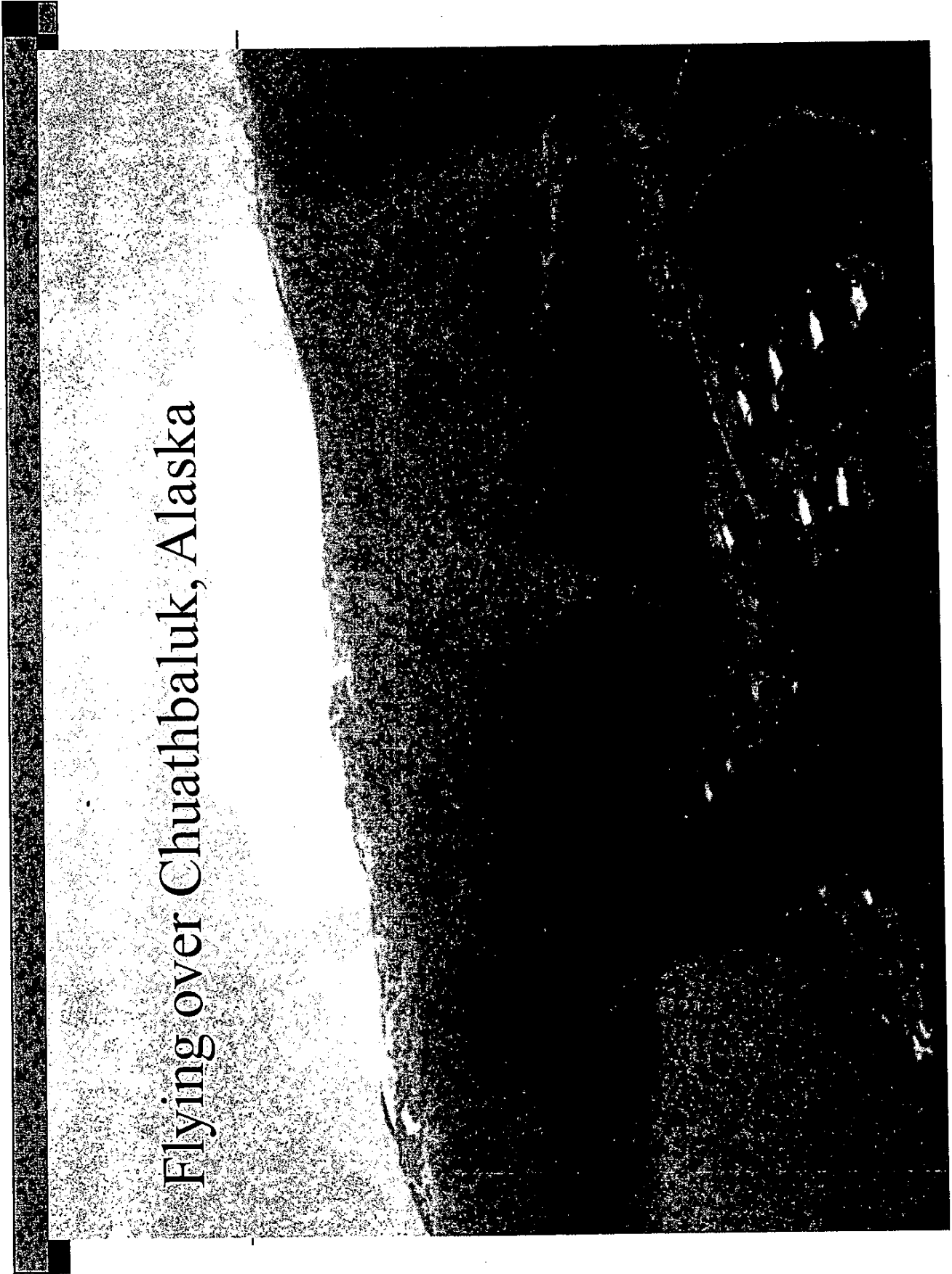
Federal Average unemployment: 4.6%

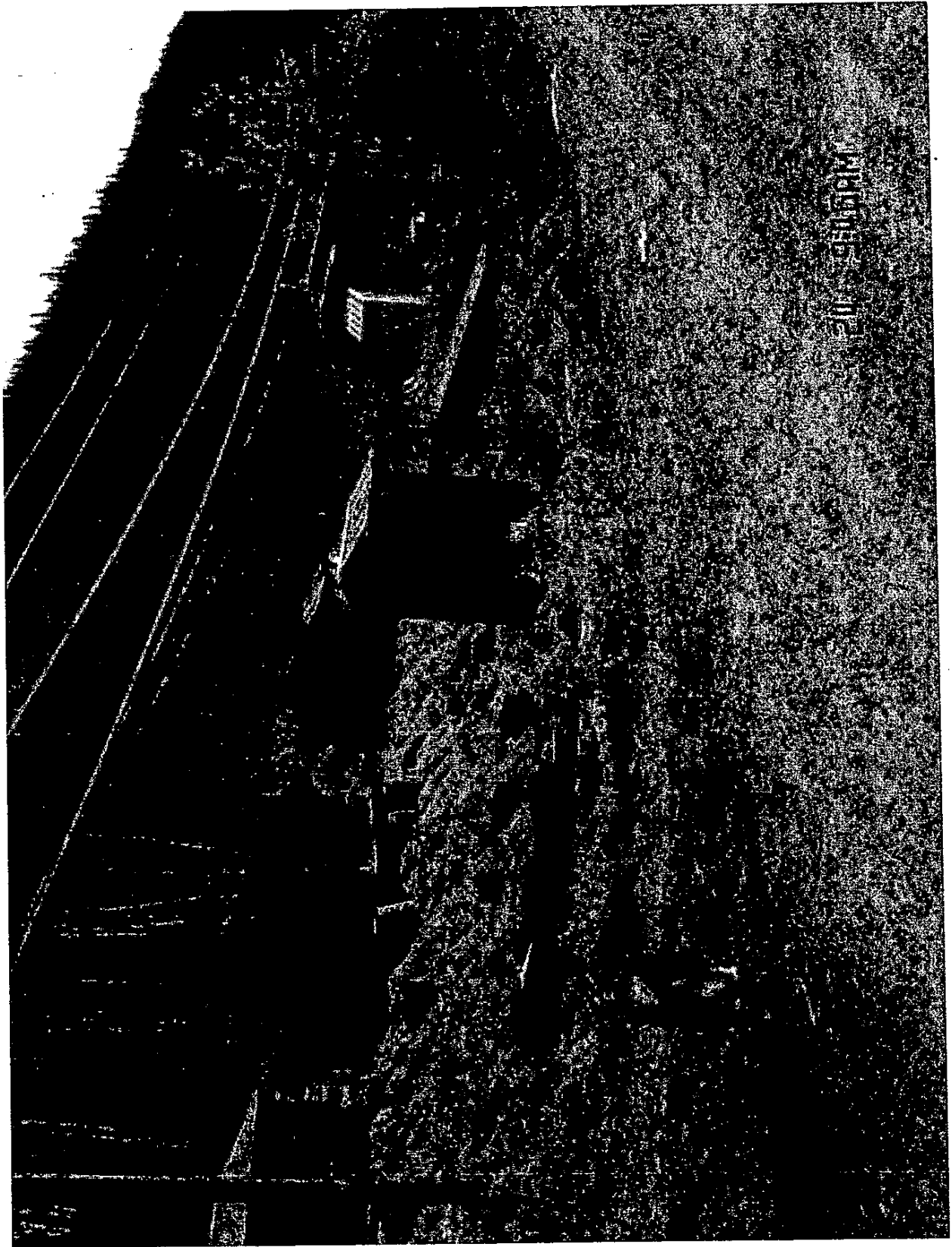
Basic Necessities

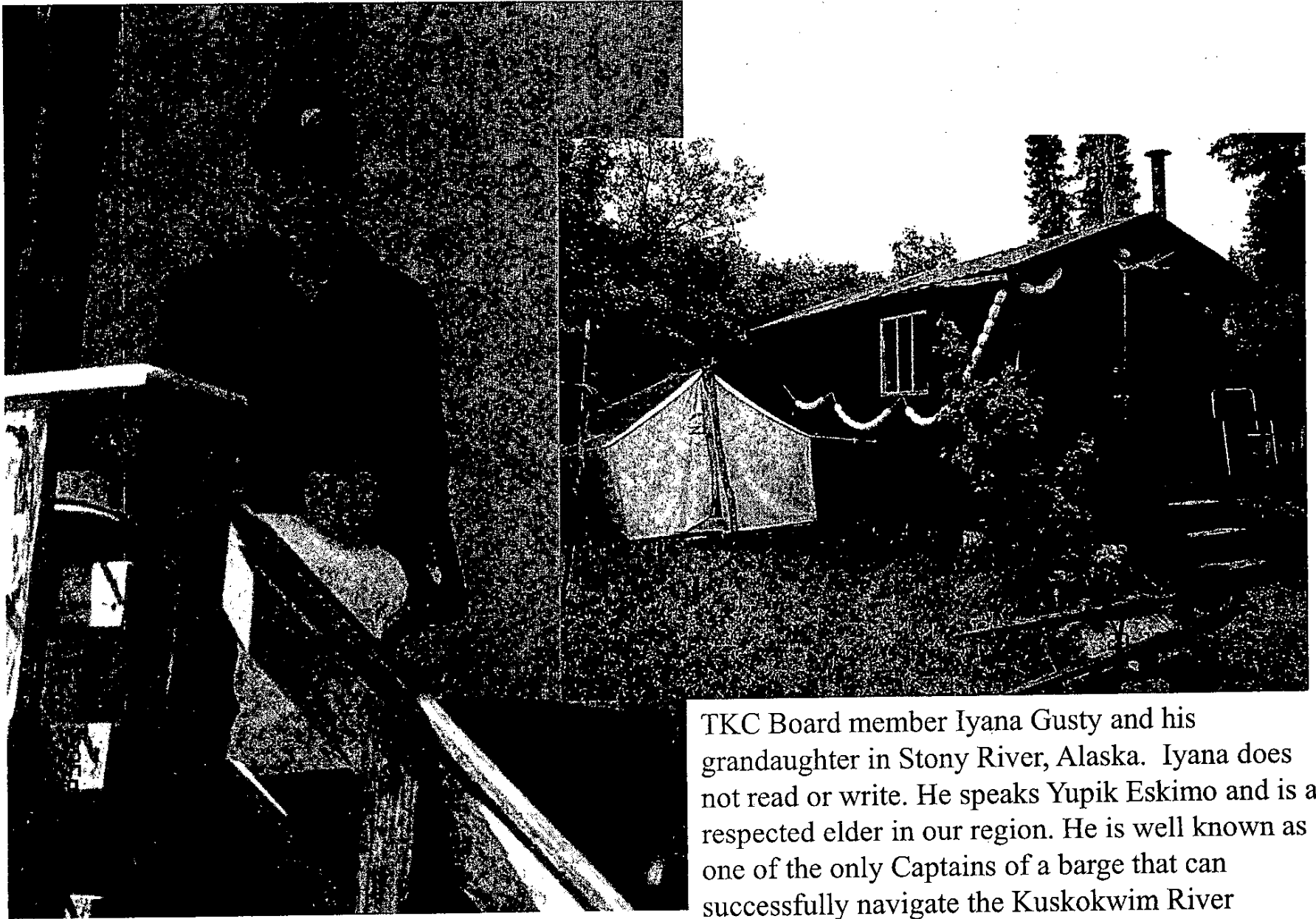
- ❑ Many homes have to haul water
- ❑ Many homes/villages do not have a septic systems
- ❑ Honeybuckets are still common within the villages
- ❑ 14% - 57.7% are below poverty within TKC's 10 villages



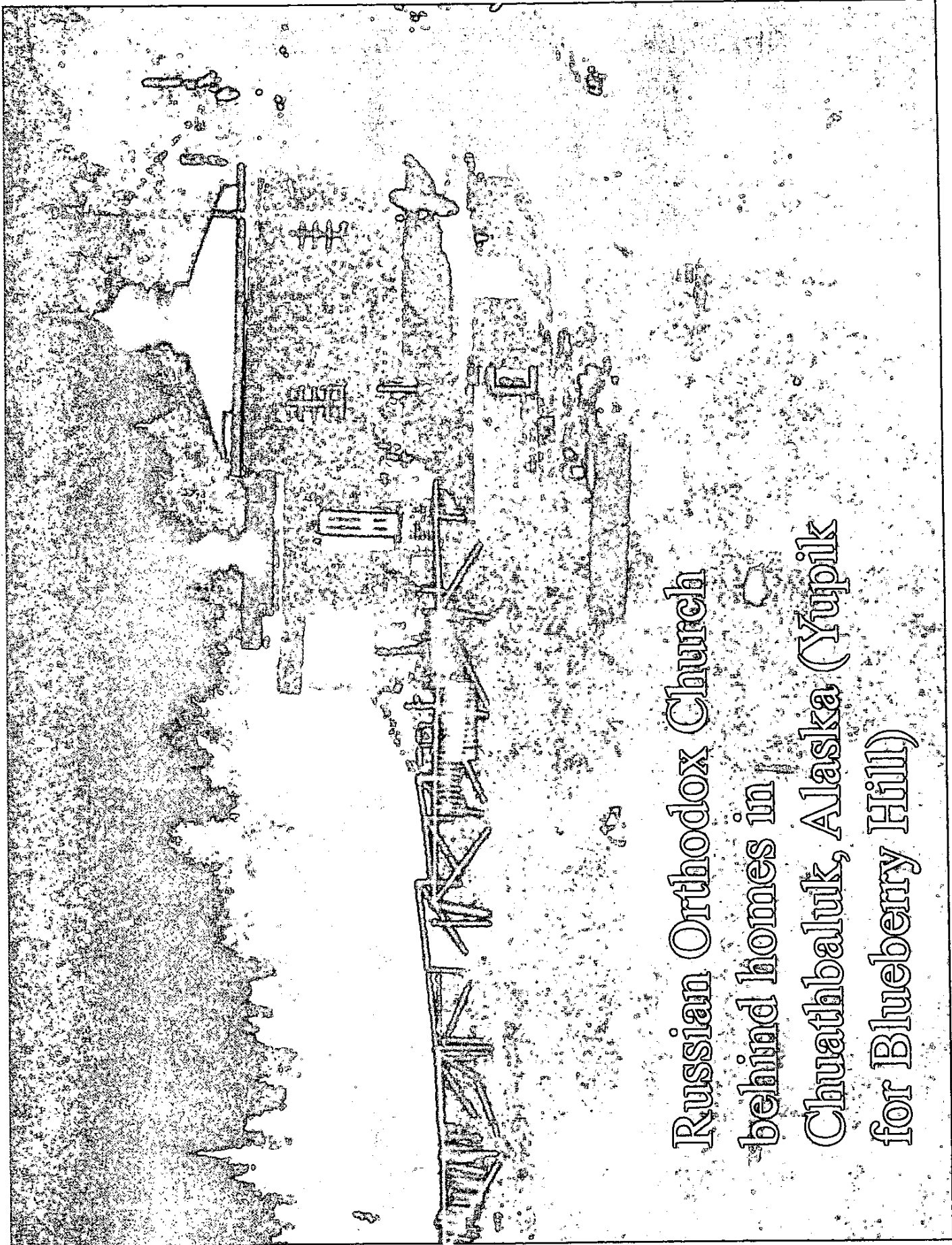
Flying over Chuathbaluk, Alaska







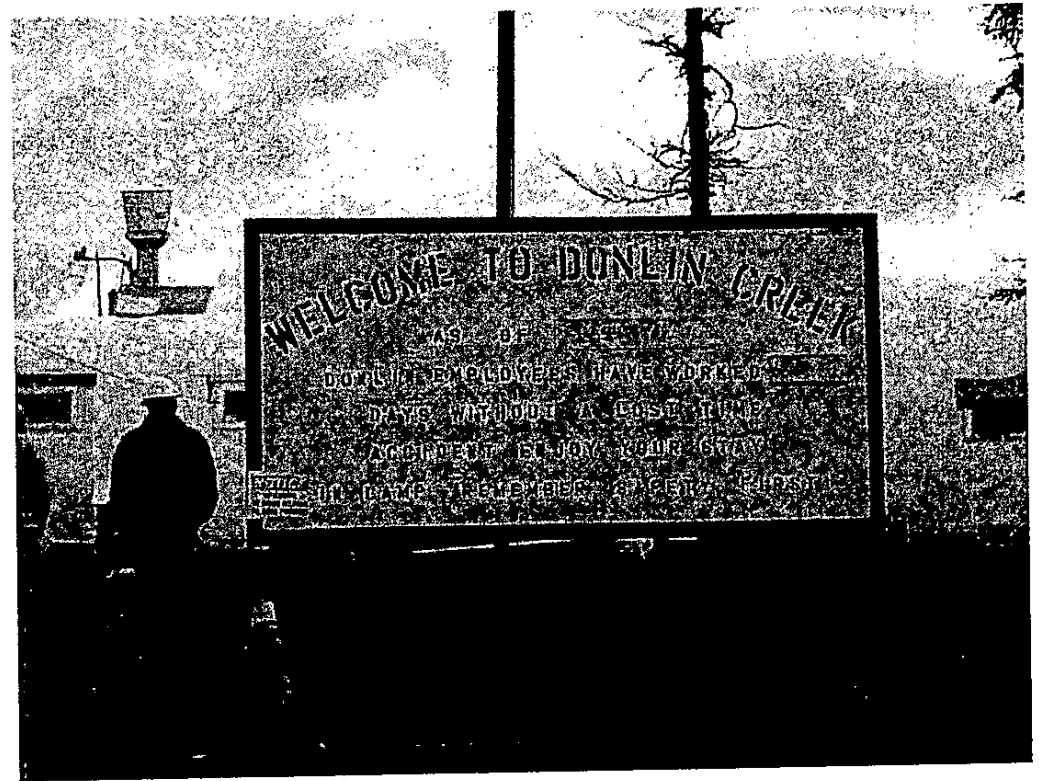
TKC Board member Iyana Gusty and his granddaughter in Stony River, Alaska. Iyana does not read or write. He speaks Yupik Eskimo and is a respected elder in our region. He is well known as one of the only Captains of a barge that can successfully navigate the Kuskokwim River without fail during low water.



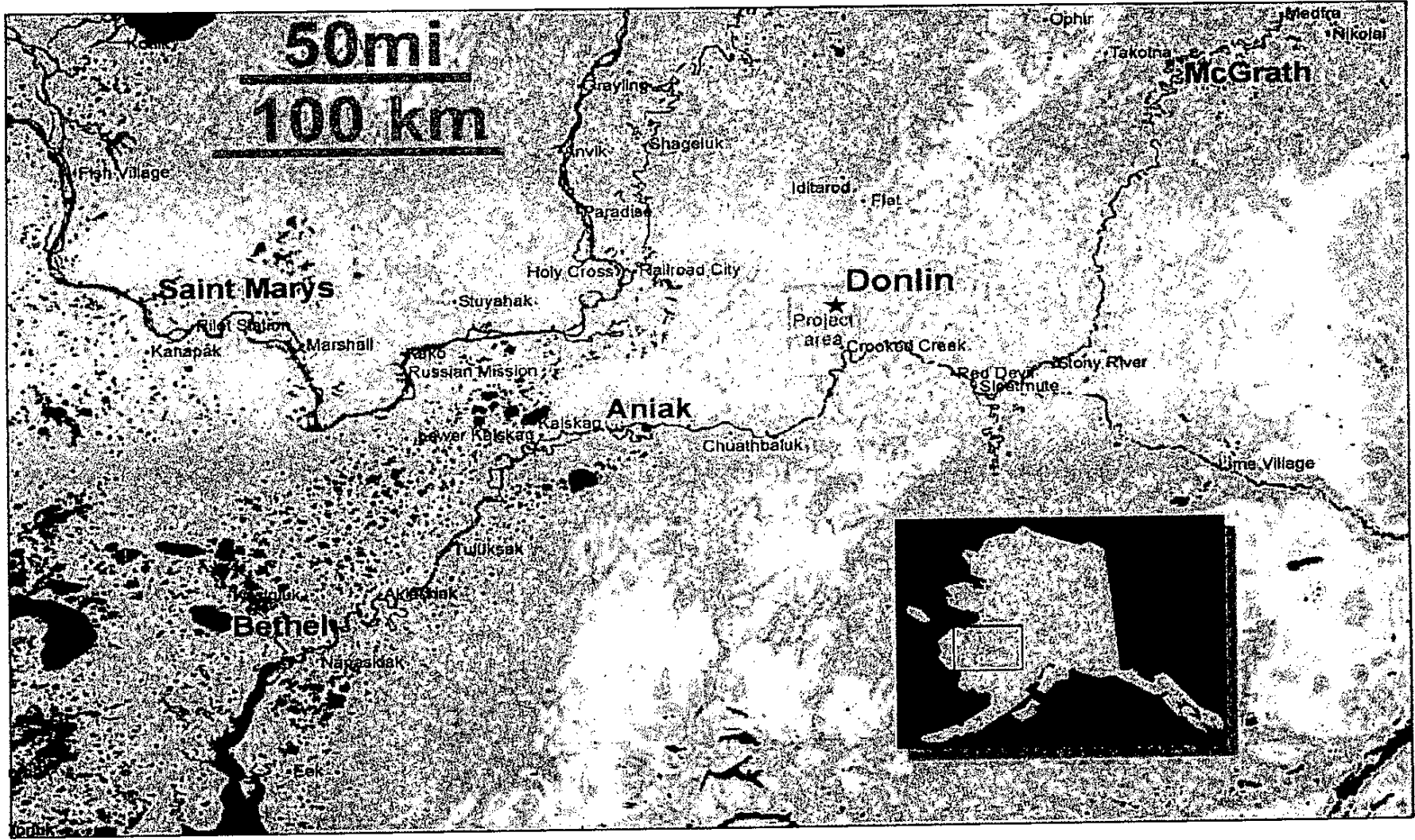
Russian Orthodox Church
behind homes in
Chuathbaluk, Alaska (Yupik
for Blueberry Hill)

Potential Economic Development in the Region

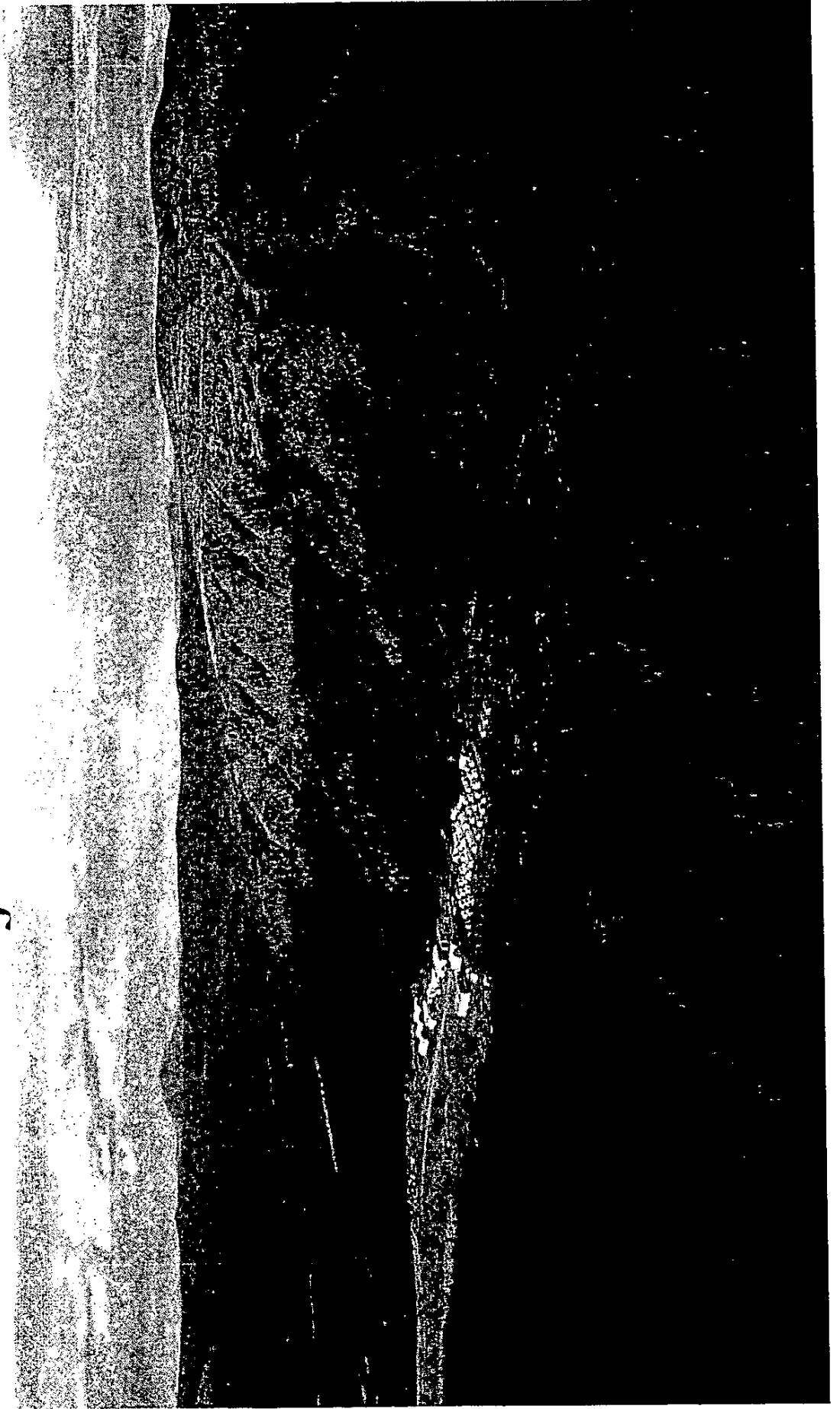
- Potential Gold Mine
- Donlin Creek, AK
- 300+ employment during construction



Donlin Creek Location



Current Project



Social Impacts

- ❑ Unemployment
- ❑ High Cost of Living
- ❑ Few economic opportunities
- ❑ Teenage Pregnancy
- ❑ Drug and Alcohol Abuse
- ❑ High Suicide Rates



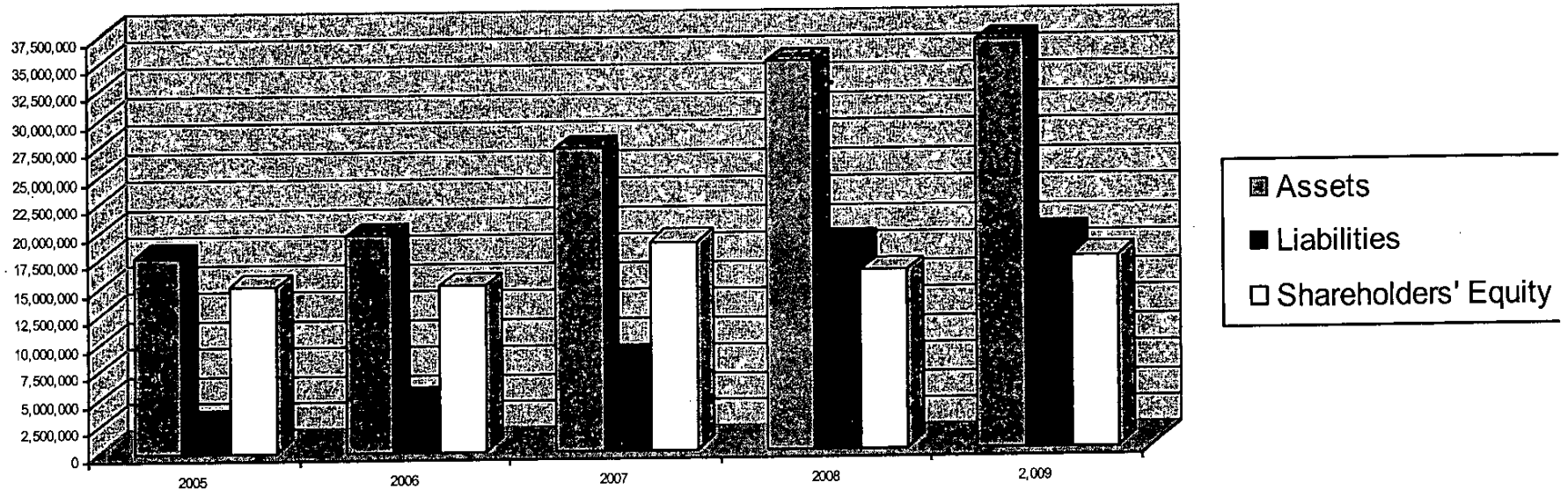
How can 8(a) help our region?

- TKC has only recently benefited from the 8(a) program and hopes to continue to provide benefits to our shareholders
- There are over 200 ANCSA village Corporations who have not even entered into the program and are struggling financially to be successful
- ANVCA is an avenue to provide education/training on ANCSA Village Corporation success

Balance Sheet

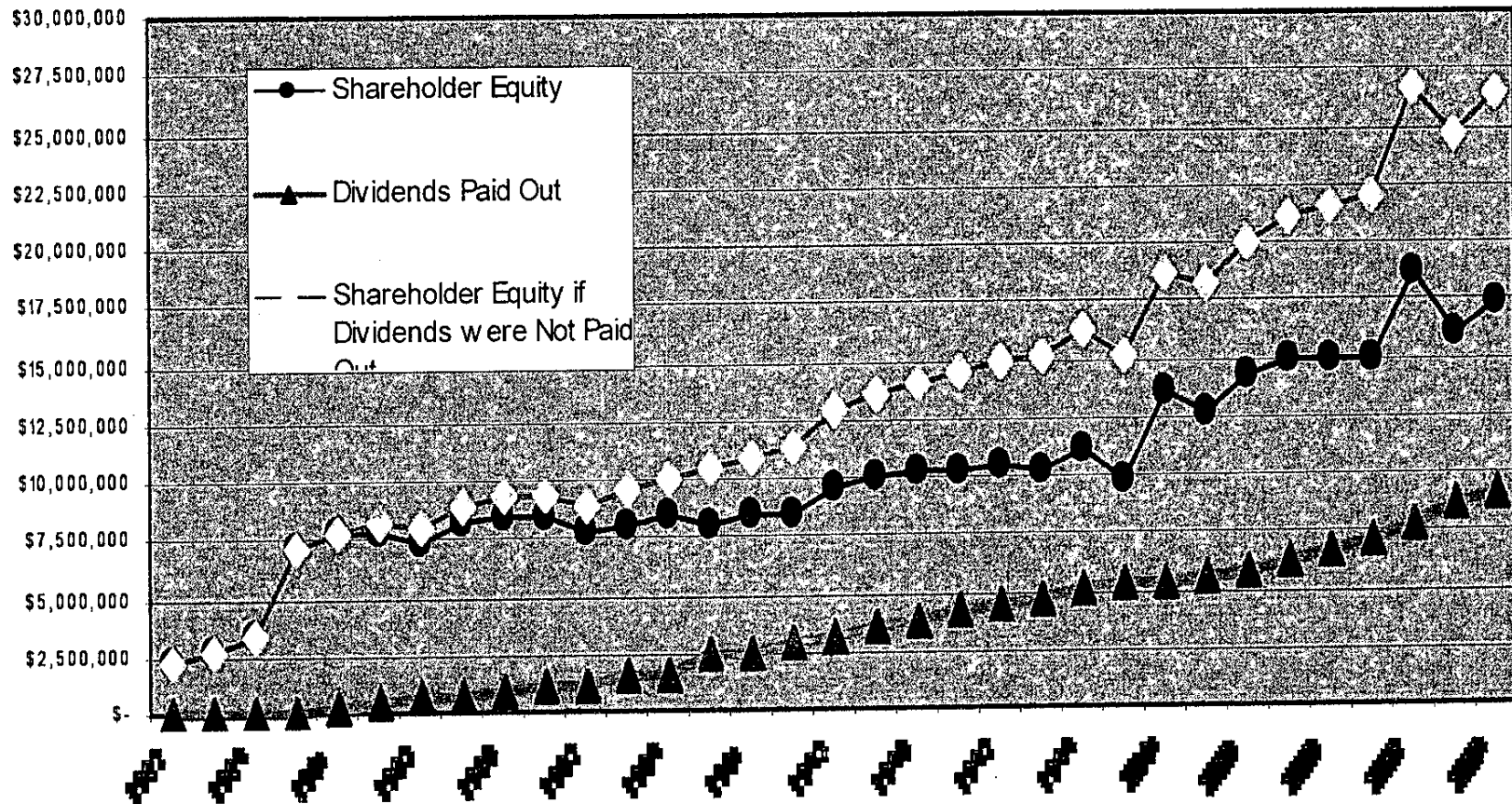
	<i>April 30, 2009</i>	2008	2007
<i>Current Assets</i>	\$36,544,904	\$34,717,756	\$27,153,325
<i>Liabilities</i>	\$19,309,786	\$18,632,190	\$ 8,419,076
<i>Shareholder Equity</i>	\$17,235,118	\$16,085,566	\$18,734,249

Balance Sheet Accounts 2005-April 2009



Dividends

Shareholder Equity 1977 - April 2009

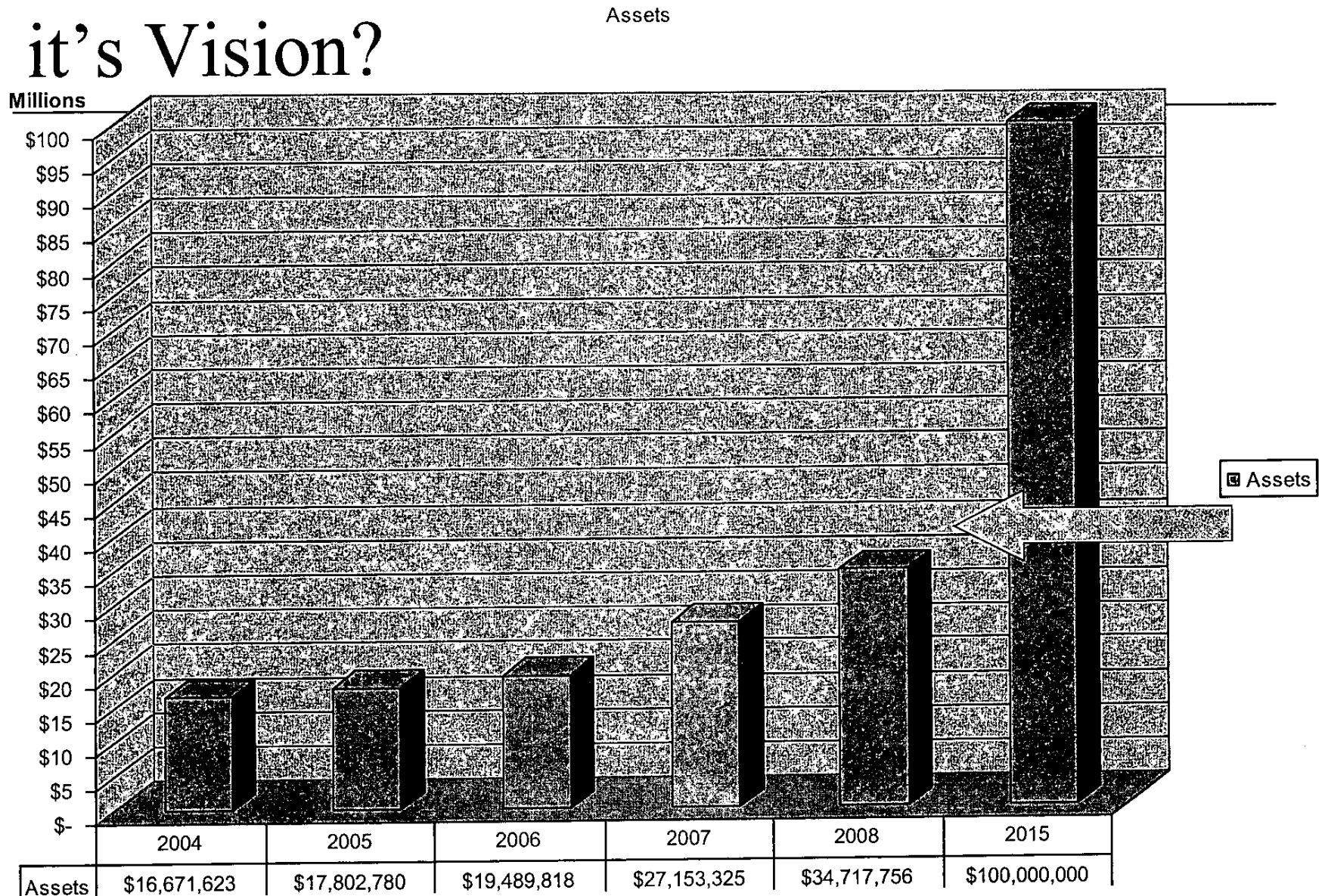


Income Statement

	<i>April 30, 2009</i>	2008	2007
<i>Revenues</i>	\$13,939,179	\$30,694,911	\$14,734,022
<i>Expenses</i>	\$12,441,723	\$30,925,193	\$13,904,220
<i>Net Income</i>	\$ 819,883	\$ (223,188)	\$ 4,476,108
Gain on Sec.	\$ 255,245	\$(1,676,125)	\$ 44,433
Comp. Income	\$ 1,075,128	\$(1,899,313)	\$ 4,502,541

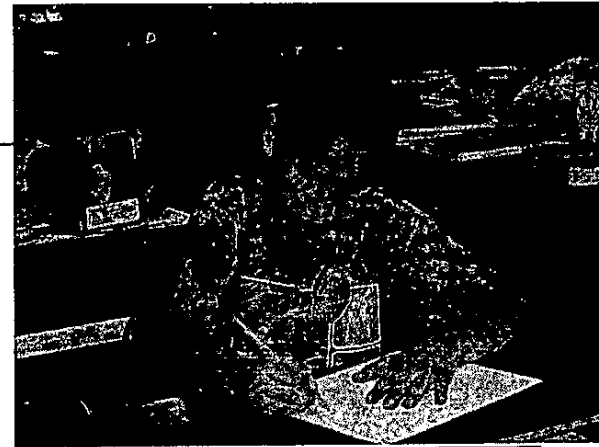
THE
KUSKOKWIM
 CORPORATION 
cutting a path to a better future

TKC Assets – Where is TKC in reaching it's Vision?



Kuskokwim Educational Foundation Scholarship Program

- Up to \$2,000 individual scholarships each/yr.
- \$22,000 provided to 23 recipients in 2008-2009



Health Field Scholarship
Award in Memory of Mary
Morgan-Wolf. 1970-1982

Educating our Children on future employment opportunities with their Corporation



Students in Red Devil, Alaska playing a game to learn how their for-profit Village Corporation works

Our Commitments



□ *Honoring our traditions:*

□ *Integrity:*

□ *Being unified, truthful, and
worthy of trust*



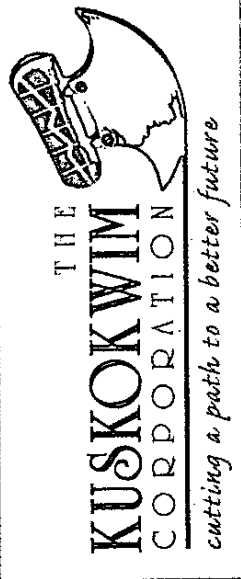
Valuing our land and resources:

- *Being good stewards to provide for our future generations*



Commitment:
***Working hard to create results that
benefit our shareholders***





Quiyama!