

The ALEUTIAN CURRENT



MBA graduate Thomas Mack

President's Report

by Thomas Mack

Our Shareholders bring a lot to the table!

It's one of my favorite times of year...when I visit our stunning land and spend time with shareholders and their families. We had great shareholder informational meetings, and I hope you enjoy the pictures of Sand Point, Nelson Lagoon, False Pass, King Cove, and Unalaska. I will visit St. Paul in July.

My congratulations to Kells Hetherington from Sand Point and Juliana Zacharof-Wagner from St. Paul. They were selected as finalists out of over 100 entries in the 4th Alaska Marketplace Competition hosted by AFN. Kells' presentation, "Aleutian Peninsula Broadcasting Wind Energy," outlined the construction of a wind turbine that could provide up to 90% of KSDP radio station's energy needs. Juliana presented "Iqyan Eco Tours," a plan to build Iqyan boats and use them in a tourist business venture. Thank you both for using your ingenuity and knowledge to highlight our region and bring opportunities to your home.

At the Annual Meeting last October, shareholder Iliodor Philemonof introduced a resolution to address the alcohol and drug abuse among our Aleut people. The Corporation thanks Mr. Philemonof for his assessment. We have researched what is available for our shareholders and descendants and share it with you in this issue.

You may have heard about the Senate subcommittee on contracting oversight asking for information from Alaska Native Corporations (ANCs) in regard to 8(a) contracting. We are one of the 20 corporations that are being asked to provide information. We are working with the other ANCs to tell our story and shed light on what a success the 8(a) program is for the Aleut Corporation and its shareholders.

We heard from shareholder Elva Dolores Melovidoff Devine from Coos Bay, Oregon who wrote, "Thank you for the Aleut Corporation Educational DVD. It is a very beautiful presentation of the Aleut people and our history and culture. It is inspiring and the information given is the clearest and most easily understood that I have received so far."

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President's Report
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We are glad that you like it Elva. We have heard similar praises from other shareholders and are happy it is being watched and enjoyed.

And finally, the Corporation says goodbye to Shirlee Smith who is moving to Cold

IT'S ONE OF MY FAVORITE TIMES OF YEAR...WHEN I VISIT OUR STUNNING LAND ...

Bay. Her title as executive assistant and serving as secretary for the board of directors doesn't begin to cover all of her responsibilities. Most importantly Shirlee has kept us laughing for the past 8½ years and we will miss her very much.

Follow President Thomas Mack on Facebook



Please join my professional Facebook page to keep up to date on what is happening at the Aleut Corporation and stay connected with the President's office. If you know of other shareholders, descendants, or individuals who may want to stay up to date on the Aleut Corporation, please feel free to have them join as well. Anyone can join

by visiting the page: <http://ca-es.facebook.com/pages/Thomas-Mack/81066978679>

Pacific Northwest Aleut Council (PNAC) News:

PNAC will be hosting its annual potluck picnic on Saturday, August 15 at noon.

Woodland Park, Site #5
Aurora Ave. N and N 59th St.
Seattle, WA

Please bring a dish to share.
Prizes will be drawn!

Congratulations Prize Winners!

Sand Point, May 6th

Ivy Gardner
Ticket winner

TAC Gear:

- Anne Nielsen
- Georgia Gilpin
- Glen Gardner
- Cathleen Adams
- Gloria Gronholdt
- Patricia Curtis
- Jeremy Krone
- Arleen Gardner
- Henry Nielsen Sr.
- Shirley Brown
- Elaine Dey
- Douglas Holmberg
- Sam Brandal
- Mary Mobeck

Edith Cumberlidge

Peter Gronholdt

Edith Jacobsen

Chloe Gardner

Charles Jackson

Carmen Holmberg

Nelson Lagoon, May 7th

Ernest Mobeck
Ticket winner

TAC Gear:

- Jack Nelson
- Ray Johnson
- Lila Johnson
- Danny Johnson
- Katie Johnson
- Tammy Brandell

Melinda Johnson

Herbert Johnson

John Nelson Sr.

Sharon Brandell

Laura Johnson

Jim Wack

Sherman McNeely

Sandra Voelker-Wack

False Pass, May 7th

Ruth Hoblet
Ticket winner

TAC Gear:

- Regan Hoblet
- Karman Newman
- Calum Hoblet
- Melanie Hoblet
- Carleen Hoblet

William Shellikoff Sr.

Pauline Tutiakoff

Wayne Outwater

King Cove, May 8th

Kathleen Bear
Ticket winner

TAC Gear:

- AnnDee Roehl
- Paul Dushkin
- Rhonda Gould
- Jim Kenezuroff
- Marge Gould
- LeeAnn Bear
- Lynnette Mack
- Chasity Wilson
- Marilyn Mack
- Sydney Wilson

Pauline Wilson

Mary Ellen Samuelson

Wells Wilson

Candace Mack

Knute Anderson

Jager-Sean Brandell

Angie Samuelson

Nicholas Drake

Victoria Samuelson

Henry Mack

Kjell Mack

Shirley Brandell

Seward Brandell

Priscilla Miller



MBA graduate Sharon Guenther Lind

Chair Report
by Sharon Guenther Lind

Summer has arrived to Alaska! Your board met in May in Anchorage and had a very full agenda. Following my letter is a report on the board actions at the May meeting which includes an evaluation of our committee charters and purposes, an adoption of a statement of compensation philosophy, an important bylaw amendment, and the formation of an ad hoc committee to begin contract discussions with some of our key contract employees.

Many things are happening in Alaska, and I am sure all shareholders are concerned, just as your board is, about this nation's economic situation. The board is currently focusing attentions on reviewing potential merger and acquisition opportunities that management is proposing to diversify and grow our income.

Shareholders can look forward to both their dividend and elder's benefit in June. Please be sure to have all your current direct deposit and address information with the Shareholder Department by contacting them directly.

I hope everyone has a fun and safe summer!

JOIN THE BOARD OF DIRECTORS

THE ALEUT CORPORATION BOARD OF DIRECTORS CANDIDACY NOMINATION PACKETS ARE AVAILABLE.

The Aleut Corporation Board of Directors consists of nine members. Three seats are up for re-election at the 2009 Annual Meeting on October 17. In order to hold a position on the board you must be a voting Aleut Corporation shareholder and at least 18 years of age. Each elected director's term of office is three years.

To run for one of the director seats, please call the corporate office or stop by to request a nominee packet. They will also be available on the corporate website at www.aleutcorp.com. The packet requires ten (10) Aleut Corporation shareholders' signatures as part of the nominating petition.

Deadline for nominee submissions is 5 p.m., Alaska Standard Time, July 6, 2009. Nomination packets received after the deadline will not be included on the 2009 Aleut Corporation proxy form.

Board Actions

Adopted the amended Shareholder Affairs Committee Charter:

SHAREHOLDER AFFAIRS COMMITTEE CHARTER

a) Committee Structure

The Shareholder Affairs Committee is appointed by the board of directors and shall consist of three appointed TAC Board members and an ex officio. The ex officio will be the chairperson of the board or designee.

b) Purpose

The purpose of the Shareholder Affairs Committee is to review information in regards to shareholder affairs, assess the condition of the relationship with TAC shareholders on an ongoing basis, plan for means to determine the questions and concerns of shareholders, and provide recommendations to the TAC Board of Directors for means to strengthen the relationship with shareholders.

c) Responsibilities

1. Review shareholder resolutions and make recommendations to the TAC Board of Directors for actions no later than February of each year.
2. Review candidates nominated for corporate awards and make recommendations to the TAC Board of Directors.
3. Review all other information in regards to shareholder affairs.
4. Act in an advisory capacity to the President on shareholder relations and means to strengthen the relationship with shareholders.
5. Provide a written report of committee meetings and recommendations to the board of directors.

d) Authorities

The Shareholder Affairs Committee acts in an advisory capacity; its function is to make recommendations to the TAC Board of Directors.

The Shareholder Affairs Committee may meet quarterly, prior to regular board meetings, or as needed.

Welcome New Shareholders

The Aleut Corporation Board of Directors welcomes the following shareholders who have received Aleut Corporation stock through inheritance or gifting.

Lannette Conder
 Michaela Frost
 Archie Gould
 Bobbie Gould
 Sharene Gould
 Sunshine Gould
 Dennis Hannan
 Victor Hannan
 Jonetta Hapoff
 Andrew Jackson
 Charles Jackson
 Carolyn Jensen
 Angela Johnson
 Samantha Keen
 Bianca Lestenkof
 Paula Levesque
 Charles Manzel
 Kelly McClary
 Nathan McCowan
 Nena Patterson
 Alfred Pesterkoff
 Maria Philemonoff
 Natasha Philemonoff
 Nicholas Philemonoff
 Vanessa Philemonoff
 Sherry Powell
 Michael Ring
 Miles Walker
 Shaelyn Walker
 Alexandra Werba

Board Actions *continued*

Adopted the amended Policy Committee Charter:

POLICY COMMITTEE CHARTER (ADHOC)

a) Committee Structure

The Policy Committee is appointed by the board of directors and shall consist of three appointed TAC Board members and an ex officio. The ex officio will be the chairperson of the board or designee.

b) Responsibilities

The Policy Committee shall be responsible for reviewing the Board and Personnel Policies. Upon direction from the board, work with management to develop new policies. Make recommendations to the board on Board and Personnel Policies.

Adopted the amended Budget and Finance Committee Charter:

BUDGET AND FINANCE COMMITTEE CHARTER (ADHOC)

a) Committee Structure

The Budget and Finance Committee is appointed by the board of directors and shall consist of three appointed TAC Board members and an ex officio. The ex officio will be the chairperson of the board or designee.

b) Purpose of Committee

The Budget and Finance Committee shall be responsible for reviewing, developing and making recommendations to the board of directors for changes to corporate policies relative to the annual operating budget and performance of investment portfolios. The Committee evaluates and makes recommendations on the final implications of shareholder dividends and Elder benefits. And, as requested by the board of directors, conducts other duties as assigned.

c) Implementation and Reporting

The Budget and Finance Committee shall report to the board of directors on:

- Corporate performance against approved budget.
- Performance of Permanent and General Fund investment portfolios.
- Review the financial implications of shareholder dividends and elder benefits.

d) Governance

- The Budget and Finance Committee chair shall work with the board of director chair, CEO, President, and CFO to develop a meeting agenda that pertains to the Budget and Finance Committee. Committee members make requests of management through the committee chair, who then makes request of management through the CEO, President and CFO for information.
- The Chair of the committee reports to the full board of directors on the activities of the Budget and Finance Committee. Recommendations of the committee shall be in writing. Information shall be provided to the full board of directors to enable informed decision making. Information and/or board packets for committee meetings will be distributed 3 to 7 days prior to a committee meeting.

e) Meetings

- The Budget and Finance Committee shall hold meetings as it may find appropriate and necessary to fulfill the duties and responsibilities of the committee.

Adopted the amended Fisheries Committee Charter:

FISHERIES COMMITTEE CHARTER

a) Objectives and Duties

- The Committee will advise the TAC Board on all living marine resource matters that impact the Aleut region and villages.
- Specifically, the Committee will draw on the expertise of its members and other appropriate sources to evaluate and recommend priorities and needed changes in statewide and national fisheries program direction. Its objective is to ensure the State of Alaska and nation's living marine resource policies and programs meet the needs of commercial, subsistence/recreational fishermen, and of environmental, consumer, academic, tribal, governmental, and other national interests.
- The Committee will function as the representative of the Company at legislative and regulatory bodies where no Aleut regional conflict exists, to be determined by TAC Board i.e., NPFMC, BOF, IPHC, legislative meetings at state and federal levels regarding commercial and subsistence/fisheries impacting our region.

b) Administrative Provisions

- The Committee will report to the chair of the board through the chairperson or vice chair of the committee.
- The Committee will coordinate with the President on fisheries issues, including reporting to the board.
- The Aleut Corporation administration will provide staff support for the Committee.
- The Committee may establish working groups or subcommittees of its membership as it sees necessary.

c) Meetings and Procedures

- The Committee shall maintain written minutes or other records of its meetings and activities. Minutes of each meeting of the Committee shall be distributed to each member of the Committee and other members of the TAC Board. The secretary of the Company shall retain the original signed minutes for filing with the corporate records of the Company.
- The chairperson of the Committee shall report to the board following meetings of the Committee and as otherwise requested by the chairperson of the board.
- Committee members attending other meetings on behalf of the Corporation will submit a trip report.

Appointed the following to the Fisheries Committee:

- Dick Jacobsen
- Elary Gromoff
- Carl Moses

Disbanded the Lands, Real Estate and Resource Committee.

Directed management and the Fisheries Committee to research the cost of hiring a full-time fisheries consultant versus a part-time consultant and report findings to the board at the next meeting.

Adopted the Statement of Compensation Philosophy for The Aleut Corporation. The Aleut Corporation wants to provide compensation opportunities to its employees that will enable TAC to attract, motivate, reward and retain high caliber employees.



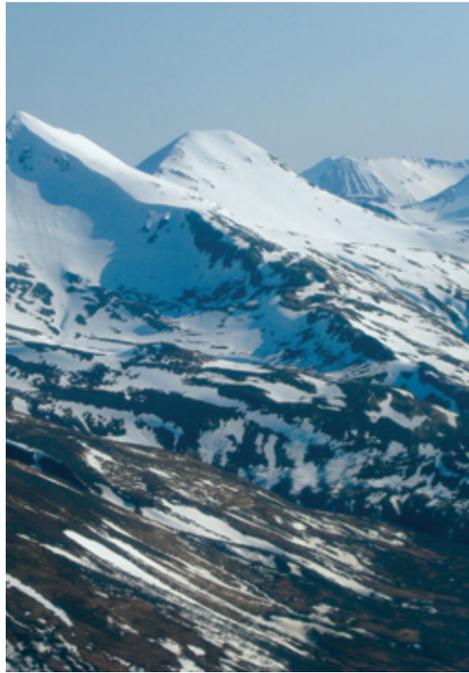
TEAM ALASKA

Justin Mack, Aleut Corporation descendant, participated in the 18th Annual Scott Firefighter Stairclimb, Sunday, March 8 in Seattle Washington. All proceeds from the event benefited The Leukemia & Lymphoma Society.

The Scott Firefighter Stairclimb is a timed race up the stairs at the Columbia Center in downtown Seattle in full fire gear and self contained breathing apparatus (SCBA). There are 69 flights of stairs, 1,311 steps, and 788 feet of vertical elevation. Justin completed the climb in 21 minutes 14 seconds. All results can be found on this site <http://results.racecenter.com/2009/ffsc09.htm#alpha>

Great job Justin!





CONTACT THE BOARD

The Aleut Corporation
One Aleut Plaza
4000 Old Seward Highway, Suite 300
Anchorage, AK 99503

907.561.4300
800.232.4882
TACDirectors@aleutcorp.com

Board Actions *continued*

Authorized a contribution of \$7,500 to Aleutian Financial Inc., a Community Development Financial Institution, from the board's discretionary budget.

Adopted resolution 09-03, a resolution of The Aleut Corporation to amend the Bylaws, Article 3 Section 6 by adding "Action of the board requires a majority of the board." As opposed to action of the board requiring "a majority of the directors present at a meeting at which a quorum is present."

Authorized and appointed a three member committee to start contract negotiations for Troy Johnson, CEO; Tracy Woo, CFO; and Thomas Mack, President.

Appointed the following to the contract negotiation committee:

- J. Nelson
- D. Mack
- C. Moses

Adopted the proposed change to the Asset Allocation for the Permanent and General Funds in TAC Investment Policy as presented by management. The change includes investing in a conservative asset allocation mode that can still take advantage of the slightly more stable market conditions and questionable economy.

Adopted the amended FY2010 budget.

Approved the Adak Property Retention/Disposal Plan for residential properties as proposed by management.

Approved the sale of the "Public use easement" and the "Temporary construction easement," at the 840 K Street property.

Adopted resolution 09-05, a resolution of The Aleut Corporation regarding authorizing Hartford Fire Insurance Company for bonding construction work.

7(j) Distributions

Under ANCSA, the 12 regional Alaska Native Corporations (ANCs) must share among each other the net profit from natural resources such as oil, gas, and timber (gravel is specifically excluded). Thus, if an ANC has net profits from such natural resources, it keeps 30% of that amount and distributes the remaining 70% (known as 7(i) income) among the 12 ANCs (including itself). The 7(i) income is distributed to each of the 12 ANCs based on the number of original shareholders.

ANCSA provides that each regional ANC receiving 7(i) income must then distribute 50% of that amount to its shareholders. This distribution is known as 7(j) distributions. Accordingly, The Aleut Corporation calculates the amount of 7(j) distribution per share. Pursuant to ANCSA, if you belong to a Village Corporation (Class A shareholder), then your 7(j) distributions are sent directly to your Village Corporation; if you are an at-large shareholder (Class B shareholder), then your 7(j) distributions are sent directly

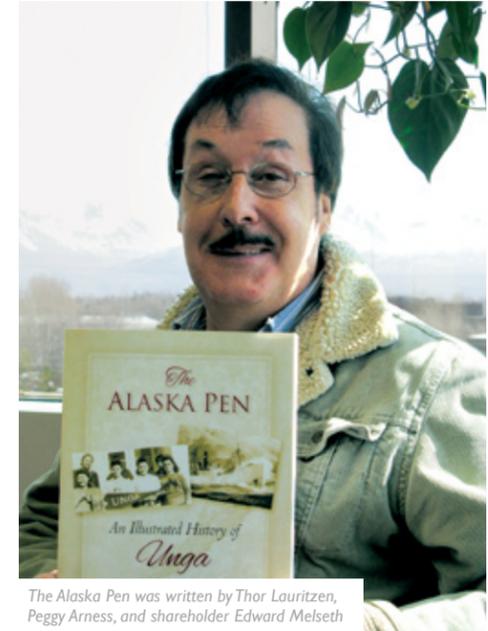
to you. The chart below illustrates the 7(j) distributions for 2008, the estimated amounts for 2009, and the projected amounts for 2010.

The large increase in 2009 as compared to 2008 is driven primarily from two sources:

- 1) NANA's Red Dog Mine, which is one of the largest zinc mines in the world; and
- 2) ASRC's oil production.

The large decrease projected for 2010 is based on the steep drop in prices for zinc and oil.

These projections are only estimates and are no guarantee of future results (which could be better or worse). We realize that many of you and your respective Village Corporations may rely heavily on the 7(j) distributions, and hence we wanted to share with you our projections so that everyone can budget accordingly.



The Alaska Pen was written by Thor Lauritzen, Peggy Arness, and shareholder Edward Melseth

Congratulations!

THE ALASKA PEN RECEIVED THE ALASKA LIBRARY ASSOCIATION'S OUTSTANDING ALASKANA OF THE YEAR AWARD ON MARCH 1, 2008, IN FAIRBANKS.

The award recognizes works that make a significant contribution to the understanding of Alaska and that exhibit originality, depth of research and knowledge of Alaska.

For information on how to receive copies of *The Alaska Pen* contact:

Edward Melseth
1315 Cordova St., Apt. 208
Anchorage, Alaska 99501
Email: emelseth@yahoo.com
Phone: 907.274.0064

ALEUT FOUNDATION UPDATES

The Foundation Board of Directors would like to congratulate and recognize the following students on the completion of their higher education:



Rosanne Wilson

Bachelor of Business Administration in Management and Organization from University of Alaska Fairbanks



Sharayah J. Foster

Bachelor of Science in Psychology from Washington State University



Dora J. Roll

Bachelor of Science in Criminal Justice with a minor in Psychology *cum laude* from North Dakota State University

Also, congratulations to **Jacole Mack** for making the Dean's List at Biola University while receiving her degree in Business.

The Foundation apologizes in advance if a graduate was missed; please remember to send the announcement upon completion. The Foundation would like to hear from you with comments, concerns or suggestions for additional programs. TAF can be reached via the website at www.thealeutfoundation.org or at 907.646.1929.

Village Corp and At Large Payables 7(j)				
	# Shares	Actual 2008	Estimated 2009	Projected 2010
Akutan	10,700	125,042	209,854	40,179
Atxam	14,800	172,955	290,266	55,574
Belkofski	3,200	37,396	62,760	12,016
Chaluka	7,600	88,815	149,056	28,538
King Cove	35,100	410,185	688,401	131,801
Isanotski	6,600	77,129	129,443	24,783
Nelson Lagoon	5,400	63,105	105,908	20,277
Ounalashka	26,900	314,358	527,578	101,010
Sanak	2,600	30,384	50,993	9,763
Shumagin	41,200	481,470	808,038	154,706
St. George Tanaq	22,400	261,770	439,322	84,112
Tanadgusix	54,200	633,391	1,063,001	203,521
Unga	5,500	64,274	107,869	20,653
At-Large	88,700	1,036,563	1,739,635	333,069
	324,900	3,796,837	6,372,124	1,220,000
per share		\$ 11.69	\$ 19.61	\$ 3.76



CEO Report by Troy Johnson

Fellow Shareholders,

The past several months have been a very busy time at the Aleut Corporation. By now we all recognize that the economy is in a recession; the investment markets have plummeted; unemployment is rising, and a lot of economic uncertainties exist. Adding to those uncertainties are some changes that we do know: we have a new U.S. President with a new administration; there will likely be less spending on military activities in Iraq and Kuwait; oil prices will continue to be volatile, and the price of

minerals (which include zinc, copper and lead) have drastically dropped thus affecting future 7(i) distributions. However, looking to the future we recognize that these tough times may present our regional Corporation with exciting new growth opportunities.

What does all of this mean to the Aleut Corporation?

- We must plan and prepare for these changes.
- Our current sources of income (federal contracting, fuels and 7(i) natural resource profit sharing) will be challenged.
- The Aleut Corporation has the ability and resources (financial and people) to take advantage of new opportunities, now.

What are these new opportunities?

- New business lines, possible mergers and acquisitions of new companies that have strong returns and provide sustainable income.
- Active real estate opportunities that improve our cash flow.
- Investments to diversify our existing business, such as expanded use of our tank farm on Adak, port services

and spill response in the Western Aleutians through our subsidiary Aleut Enterprises, and new service divisions for government contracting through our subsidiary Aleut Management Services.

What do new opportunities mean for you, our shareholders?

- Sustainable growth in annual dividends, and shareholder benefits and programs.
- Growth that may provide more shareholder career opportunity choices.
- A stronger and more stable regional Corporation that will be there for you and the next generation.

As part of fulfilling our Strategic Plan, management has identified and presented an analysis of several new opportunities to the board in recent months. After a lengthy review of the data and discussions of the options, the board and management have developed a vision for a new direction, one of investment, diversification and growth.

The first step is the creation of a new division, Aleut Industrial Services, LLC. As the name implies, the new company will focus on non-government industrial products and services. The company will be a member-managed holding company of other wholly-owned subsidiaries that we will acquire.

I am very pleased to announce that the management team negotiated and acquired Alaska Instrument Company, LLC, which will become the first company in Aleut Industrial Services. Alaska Instrument Company is an Anchorage based manufacturer's representative firm specializing in industrial instrumentation and controls across Alaska.

I will provide updates as our work, with support of the board, moves the Corporation from a "vision" to a "new reality" — an even stronger and more stable regional Corporation that will be there for you and the next generation.

Migration Report

A number of different studies have been done recently regarding rural population decline in Alaska. During 2008, the cost of living increased substantially due to the sharp rise of fuel prices. Anticipating mounting problems, several agencies

STUDIES LOOK AT THE "EXODUS" OF ALASKA NATIVES FROM VILLAGES TO URBAN AREAS. IS IT REALLY HAPPENING, AND IF SO, WHY?

and state departments started to gather evidence to determine if rural out-migration was occurring and how it would impact rural and urban Alaska.

In May 2008, researchers at the Institute of Social and Economic Research spearheaded research with the Division of Community and Regional Affairs (DCRA), First Alaskans Institute, and the Alaska Department of Labor and Workforce Development and

found that high fuel costs did not seem to be a "definite driver of out-migration." According to their findings, current rural to urban migration is the continuation of a long lasting trend. Scarcity of jobs combined

with low earnings was cited as the principal reason for moving.

DCRA compiled rural population numbers between 2000 and 2008. Since 2000, Alaska's rural population has dropped by 19,150 persons. The Aleutians West Census Area lost 1,242 people while the Aleutians East Borough lost 100. According to the state

demographer, "rural areas have consistently shown a predominant pattern of out-migration since 1990." Most out-migrants move to Alaska's urban centers.

The First Alaskans Institute survey, conducted by the Alaska Native Policy Center at the 2008 Elder and Youth Conference and the AFN convention, learned that the most important reasons that people decide to move were:

- Employment
- Housing
- Energy Costs
- Food Costs
- Transportation
- Health and Safety
- Being Close to Family

Alaska's rural school population has dropped by 11% since 2000. In 2008, 1,012 fewer students were attending schools in rural Alaska than in 2007. While none of the Aleutian schools are in the "immediate threat of loss of funding" category (10 or fewer students), Nelson Lagoon and False Pass are in the "looming threat of loss of funding" category (between 10 and 12 students).

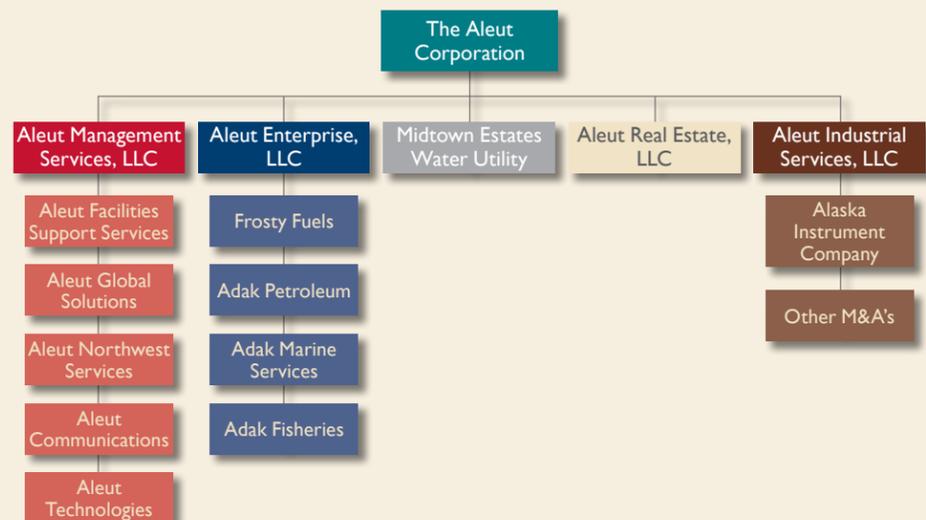


HAVE YOU SIGNED UP FOR THE eCURRENT?

It goes directly to your email account and it is like a mini-Aleutian Current with new information in it. The eCurrent is just one more way we are trying to keep you, the shareholders, up to date on the happenings of the Aleut Corporation.

You can sign up for it on the Aleut Corporation webpage at www.aleutcorp.com.

The Aleut Corporation – FY '10 Corporate Structure



Shareholder Resolution by Iliodor Philemonof

AT THE 2008 ANNUAL MEETING, SHAREHOLDER ILIODOR PHILEMONOF PRESENTED THE FOLLOWING RESOLUTION.

NOW THEREFORE BE IT RESOLVED that the Aleut Corporation, through the Aleut Foundation, along with other non-profit entities take the lead to address the alcohol and drug abuse among our Aleut people and especially our youth, who are the future leaders of our Corporation. Submitted by Iliodor (Ed) Philemonof on the floor.

“This has to be a priority because every year people get hurt, die, and commit suicide because of drugs and alcohol. I’d like to see TAC be more vocal about the issue and address it. We cannot keep this hidden in the closet and pretend it doesn’t exist. We need to give our shareholders and descendants treatment and incentive to go on with their lives without drugs and alcohol.”

Iliodor Philemonof, May 2009

The Aleut Corporation, board of directors and Aleut Foundation thank Iliodor Philemonof for expressing his concern. In accordance with his request, here is an overview of treatments and programs available.

Aleutian Pribilof Islands Association (APIA):

APIA oversees health programs in St. Paul, St. George, Nikolski, Unalaska, and Atka with outpatient treatment and outreach prevention, intervention and after-care treatments. Two communities out of the five are fully staffed to help with mental health issues. Clinicians and aides travel to the other three areas. Treatment is offered to anyone who needs it. In the region, the “local community wellness team concept” is used. 907.276.2700

Eastern Aleutian Tribes (EATribes):

EATribes serves Adak, Akutan, Cold Bay, King Cove, Sand Point, False Pass, Nelson Lagoon and Whittier with clinics in each community. King Cove and Sand Point have Behavioral clinicians on site who are available to the other villages by tele-video. Behavioral health outpatient programs are available through one-on-one treatment. Group therapy is also available when the



program can be scheduled on a regular basis. For residential treatment, patients must go to other locations. 907.277.1440

Anchorage:

APIA – Max Lestenkof is a patient advocate and helps with transportation and other coordination needs. 907.276.2700

Circle of Recovery provides funding and light case management for patients in Anchorage. 907.729.4253

Cook Inlet Recovery Services 907.793.3200

Ernie Turner Center offers substance abuse treatment, detoxification, residential short-term and long-term treatment and outpatient services. 907.550.2400

The Salvation Army Adult Rehabilitation Program provides housing, counseling, life skills education and

work therapy for men who are struggling with substance abuse. 907.339.3430.

Akeela, Inc. is a non-profit organization offering a comprehensive array of services for the prevention and treatment of substance abuse and alcohol abuse in Anchorage. It includes the “Strengthening Families” program and the “Prime for Life” program for young people under 21 years of age. 907.565.1200

Nugens Ranch, Wasilla

Residential program 907.376.4534

Pacific Northwest:

Seattle Indian Center – Employment and training, education, high school re-entry program, community meal program, food bank, residence program for men. 253.854.0637

611 12th Avenue South, Suite 300
Seattle, WA 98144

E-mail: sic_employment@qwest.net
Contact: Victorine Joyner, Program Director

Seattle Indian Health Board – Medical and dental walk-in clinic, mental health counseling. Thunderbird House is the sobering facility for drug and alcohol treatment. 206.854.0637

8(a) Contracting Benefits to Bottom Line and Shareholders

Twenty Native corporations received a letter this month from a U.S. Senate panel seeking financial information. Alaska Newspapers sent to all 20 questionnaires about how 8(a) status has benefited the corporation’s bottom line and how it has benefited shareholders. Five of the 20 responded. An abridged selection of some of their answers follows:

Thomas Mack, President of Aleut Corp.

How do you feel about the congressional probe into Alaska Native corporations with 8(a) status? Why?

The 8(a) program was created to help small disadvantaged businesses compete in the market place. The focus is to provide business development support, such as mentoring, procurement, assistance, training, technical assistance and counseling. The program is working. Now that some ANCs have become successful in winning and obtaining sizeable government contract awards, it is unfortunate that others may feel that such success should not be allowed. We feel that the Congressional Subcommittee on Contracting Oversight is unfairly targeting the ANCs. It is also unfortunate that some people do not have the confidence in the United States government to exercise good judgment and due diligence in awarding government contracts to all eligible, capable, and competent 8(a) participants.

An overall concern is that this focus on ANCs is just the tip of the iceberg as to a

greater movement towards dismantling and/or severely limiting the 8(a) program, and thus defeating the purpose of the program itself — to help small disadvantaged businesses compete in the market place.

Has 8(a) status helped your corporation’s bottom line? How?

In our fiscal year 2008, our government contracting subsidiary had generating about \$2 million of direct bottom-line income. This served as a funding source in FY08 for: (1) about \$759,000 of shareholder programs such as scholarships, internships, career development, vocational training, cultural camps, language preservation, historical preservation, burial assistance, etc. and (2) about \$2.1 million of dividends to over 3,500 Native shareholders, many of whom rely on that source of income as they face economic hardships living in rural villages with very high food, living, and fuel prices. Basically, the 8(a) program is helping us provide economic and cultural opportunities for our shareholders.

Please choose one specific example of the benefit, and explain it in further detail. For example, the financial success of one regional corporation allowed it to contract with Rosetta Stone to create an indigenous-language program.

In addition to the benefits mentioned above, we were able to produce a professional, educational DVD that was designed to educate our shareholders and descendants on ANCSA, what it means to be an Aleut

Corp. shareholder/descendant, and the benefits the Aleut Corp. provides to its shareholders/descendants.

What are conditions like in many of the communities your corporation represents?

Many of the communities in the Aleut region are suffering from economic hardship. The fishing industry, which continues to be the main economic driver for these communities, has seen a drastic decline, which has taken its toll on our shareholders. The politics surrounding the fishing industry in the Aleut region has caused these communities to suffer drastic out-migration of Aleut shareholders. This out-migration is causing a loss of our Aleut culture and language. Additionally, many of our shareholders have difficulty accessing higher education as there are no colleges in the Aleut region.

Jason Metrokin, CEO of Bristol Bay Native Corp.

How do you feel about the congressional probe into Alaska Native corporations with 8(a) status? Why?

Federal contracting has allowed us to provide more benefits to our shareholders, so we are happy to discuss that aspect of our operations. That being said, the request for information received from Senator McCaskill requires us to produce a significant volume of data within a deadline of 13 business days. This is not the first time BBNC has been asked to provide extremely detailed information about our involvement in the SBA 8(a) program and shareholder



8(a) Contracting Benefits to Bottom Line and Shareholders *continued*

benefits. BBNC has always operated with integrity and within the parameters of the SBA 8(a) program. Given our exemplary history of federal contracting and 8(a) participation, it is frustrating to repeatedly be asked the same questions by governmental entities that do not appear to have a thorough understanding of Alaska, Alaska Native corporations or Native peoples. Of almost \$440 billion in total federal procurement contracts in 2007, less than 1 percent was awarded to 8(a)-advantaged Native American firms, yet we have again found ourselves under scrutiny for the amount of federal dollars we receive and where those dollars end up. It is ironic but it appears Alaska Native corporations are being singled out and punished for being successful at a program designed to foster business skills and develop economically depressed populations and geographic areas.

Has 8(a) status helped your corporation's bottom line? How?

Absolutely. Not only has the program helped BBNC increase its bottom line, but more importantly, it has helped us earn the necessary capital to provide regularly increasing dividends to our 8,400 Alaska Native shareholders. BBNC has paid a growing dividend since 1978. Our ability to pay this consistent dividend is due in large part to our 8(a) contracting, but it is by no means the sole source of BBNC's earnings. Fortunately, in our case, we have a diversified group of subsidiary companies, many of which are graduates of the 8(a) program. Using the program as it was intended, our subsidiary companies utilize 8(a) contracts during their initial lifecycle and then gradually increase their open and competitive business outreach and rely less and less on 8(a) contracting. As our subsidiaries grow, our shareholder benefits

have also grown. The benefits from BBNC's participation in this program reach far beyond its bottom line.

What other benefits have shareholders received from the 8(a) status that have not been mentioned?

Every BBNC company provides a preference for shareholder hire. Our 8(a) advantaged companies have also created robust shareholder internship programs. The internships are paid experiences that range from a few weeks to a few months. Several have ended with full-time employment offers. We pay for travel costs, hourly wages and educational experiences. We now have two BBNC shareholders who are CEOs of our companies and several program officers and department managers who have benefited from BBNC programs that are in part supported by our involvement in the 8(a) program.

What are conditions like in many of the communities your corporation represents?

Our communities are traditional commercial and subsistence fishing villages. Bristol Bay has not exploited its natural, land-based resources as has occurred in other parts of the state. Subsistence is still an important way of life for our shareholders. The villages in the Bristol Bay region have some of the highest costs of living in Alaska. The cost of energy has caused a real crisis in the region with average costs of fuel near \$6 per gallon and home heating oil even higher. No community is accessible by road from Alaska's Railbelt or Anchorage. Travel costs to and from the region range from \$400 to over \$1,000. Nearly 24 percent of Bristol Bay's Native population is below the poverty level. BBNC involvement in the 8(a) program has provided a significant source of economic benefit to the people of Bristol Bay.

Will Anderson, President of the Koniag Corp.

How do you feel about the congressional probe into Alaska Native corporations with 8(a) status? Why?

Unfortunately there's been a great deal of misinformation circulated about ANC's involvement in the 8(a) program. Therefore, I welcome the opportunity to provide detailed and accurate information that should put many of these misperceptions behind us.

Has 8(a) status helped your corporation's bottom line? How?

Our involvement in the 8(a) program has helped our bottom line both directly and indirectly. The revenues and resulting net income generated through our 8(a) subsidiaries are a significant part of our business strategy. We've been able to build infrastructure and attract a highly skilled and experienced group of professionals that improve the odds that all our investments will be successful.

What are conditions like in many of the communities your corporation represents?

The Alutiiq people of the Koniag region have existed for centuries in the villages around Kodiak Island. However, because of economic changes many of the village residents are being forced to move to more urban areas. Our involvement in the 8(a) program has allowed Koniag to pay a larger dividend, and to work toward making investments in a way that can help provide a broader economic base in the villages and help stem the flow of residents to urban areas.

For the complete article, visit www.thearcticssounder.com/news/show/6129

Originally published May 28, 2009, in *The Arctic Sounder*.

Condolences

The board of directors and the staff of the Aleut Corporation would like to extend their sincere condolences to the family and friends of the following shareholders who have recently passed away.



75
VERA
CHERCASEN
St. George
Island, AK

Memory Eternal Vera Chercasen, 75, was born August 14, 1933, in St. George Island, Alaska, and died on March 23, 2009, with her son Michael Chercasen at her side. She is also survived by her sister Mary Lou Mercurief, brother Laurence Prokopiof Jr., and many more family and friends.

Vera always had a wonderful sense of humor; her smiles welcomed many, and her faith was strong throughout her life. She will be dearly missed by all that knew her.

She was preceded in death by her husband Emil Chercasen and parents Laurence and Natalia Prokopiof.



57
LINDA CHEBETNOY
Sand Point, AK

60
CAROL EADS
Seward, AK

92
HARRY FOSTER, SR
Sand Point, AK

79
EDWARD GOULD
Havelock, NC

53
ANDREW JACLA
Vallejo, CA

67
ANDREW KOSO, JR
King Cove, AK

57
VERA KRUKOFF
Wasilla, AK

77
EVODOKIA MALAVANSKY
St. George Island, AK

36
MELANIE MCFERRIN
Mount Vernon, WA

72
NATALIE MISIKIN
Anchorage, AK

83
RAYMOND NEKEFEROFF
Anchorage, AK

54
ALBERT NEWHALL
Big Lake, AK

89
ROBERT NEWMAN
Seattle, WA

69
MARY RING
North Bend, OR

67
OLGA WESTON
Chicago, IL

PHOTOS AND STORIES OF SANAK/PAULOFF:

The Pauloff Harbor Tribe would like to put together some of the history of Sanak Island. They would like to know who lived on Sanak, when they lived there, what were the daily activities, etc. They are trying to find documentation on the military installation on Sanak

Island. Very little information is available since Sanak was apparently a secret radar installation. They are looking for any information on where the military stayed while they were building the site, what was built at the military site, what the site was used for. Also, what happened to the

military equipment and supplies when the military left? If you know someone who has any information, please have them contact the Pauloff Harbor Tribe at 907.383.6075 or Sanak Corporation at 907.383.2106.

Village Visits



Peter Gronholdt, Sand Point



Pauline Tutiakoff, False Pass



Sand Point Harbor



Thomas Mack, Ruth Hoblet & Troy Johnson, False Pass



John Nelson, Nelson Lagoon



Old Peter Pan Dock, Sand Point



Tom Hoblet, False Pass



Tammy Brandell, Nelson Lagoon



Sherman Johnson, Nelson Lagoon



Eastern Aleutians



Informational Meeting, False Pass



Thomas Mack & Ivy Gardner, Sand Point

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Rob Hemmen, *Controller*

Genevieve Karlsen, *Accounting Technician*

ALEUT REAL ESTATE, LLC

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Carrie Johnson, *Administrative Manager*



ALEUT WORD

Qasiiġtan.

Go fishing.



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