



## **Bristol Bay Native Corporation's Journey to Descendant Enrollment**

When passed by Congress in late 1971, the Alaska Native Claims Settlement Act (ANCSA) was unique. It signified a wholly new approach to the relationship between the Indigenous nations of the country and the federal government.

While ANCSA provided for the formation of ANCs, it did little to influence their operations, whether day-to-day or long-term. This open-endedness gave corporations a degree of flexibility in their operations. A 1991 amendment to ANCSA further expanded the ways ANCs could evolve by giving the corporations, through their shareholders, the discretion to alter their shareholder eligibility criteria largely as they see fit. ANCs could enroll direct lineal descendants.

As of this writing, six of the twelve regional corporations have enrolled descendants of original shareholders and issued them shares. Another three, including Bristol Bay Native Corporation (BBNC), have publicly announced plans to put a descendant enrollment initiative before their shareholders. Representatives of these ANCs said in interviews that the specifics of, for instance, the class of shares descendant enrollees receive at each corporation varies widely, but the core principles and structure to who is eligible to enroll have largely aligned over time. That is, ANCs, (again, through their shareholders) have embraced a movement towards accepting new shareholders despite the unavoidable issues raised by significant growth in shareholder rolls.

Anecdotally, individuals across regional corporations who have followed the issue of descendant enrollment for decades consistently say original shareholders have become more receptive to the concept of opening the rolls of their corporations. It is a means to address the practical implications that come with an aging base of original shareholders for some. For others, it is a way to help connect new generations of Alaska Native people with their culture. Regardless of the individual reasons, data from shareholder surveys taken across ANCs support that conclusion.

BBNC leadership set on the current path of investigating the prospects of a descendant enrollment initiative during a 2023 strategic planning session after fielding more questions from shareholders and other observations that indicated potential adequate support to act. This was after years of discussion, planning and research.

That said, in 2024, BBNC conducted polling among original shareholders and descendants of original shareholders to gauge interest in opening up enrollment to descendants of original shareholders. The polling found that 72 percent of respondents were in favor of allowing descendant enrollment within BBNC. That figure represents a 45-point pendulum swing from the first similar survey taken in 1984, which simply asked BBNC shareholders: "Would you support opening enrollment?", where just 27% of respondents said "Yes." By 1994, a more in-depth survey already showed a significant change to 47% support, according to BBNC records. In 2014, support for descendant enrollment reached 69%, though 50% said their support was contingent upon the assurance that shareholder benefits, specifically dividend distributions, would not be impacted.

The 2024 Descendent Enrollment Survey polled five focus groups in Anchorage, Mat-Su, Dillingham, Naknek, and Seattle, in addition to an online QualBoard. Support for descendant enrollment was high as participants cited it would pass on culture and heritage to future generations, ensure BBNC would be led by knowledgeable and connected shareholders, and allow for descendants to connect with and protect their homelands. However, concerns that arose during the focus groups included comments about disengaged shareholders, dilution of shares, and decreased voting power.

BBNC intends to mitigate the impact of issuing new shares to a new class of shareholders — it forecasts potentially up to 12,000 descendant enrollees, or roughly doubling the shareholder base — by offering descendants a meaningful number of life estate shares that revert back to the corporation. Some form of life estate shares for descendants is a common feature among ANCs that have opened their rolls. Descendants would also be eligible to vote in corporate elections at age 18.

BBNC will also address the potential dilution of shareholder dividends as a result of opening the rolls. The long-term goal is to continue to grow dividends for existing shareholders, while providing a meaningful dividend to newly enrolled descendants. It is achievable as a long-term goal based on BBNC's projections for continued growth and ability to generate consistent earnings.

With more than 70% poll respondents supporting opening enrollment for BBNC shareholder descendants, BBNC's initiative currently has more backing than other regional corporations had that previously approved descendant enrollment. Other regional corporations generally recorded support among shareholders in the 60-68% range prior to approving the measure, according to representatives for other ANCs.

A likely explanation for at least part of that support is the changing demographics of the BBNC shareholder base. Non-original shareholders — those who inherited or were gifted shares — now represent approximately 60% of all BBNC shareholders. Those shareholders are also younger and much more likely to live outside of the region and the state. They may have family members who, for a host of potential reasons, did not receive BBNC shares and want to see others connected with the ANC of their region.

Additionally, Choggiung Limited, the largest village corporation in the region, recently became the first village corporation in the Bristol Bay region to approve descendant enrollment — undoubtedly making a portion of BBNC shareholders more informed and comfortable addressing the issue.

Representatives for ANCs that have successfully executed descendant enrollment campaigns stressed the importance of information gathering early in the process, largely about shareholders' questions and concerns, and consistent information sharing and transparency with shareholders throughout.

A fundamental takeaway from discussions with individuals from ANCs that have approved some form of descendant enrollment is the campaign should focus on education, not advocacy. Shareholders have consistently shown that given unbiased, factual information, they will vote to spread the benefits of being a BBNC shareholder to those close to them. It is clear there is strong internal belief in BBNC that opening the rolls is, on several levels, the right course of action for the future of the corporation and its shareholders.