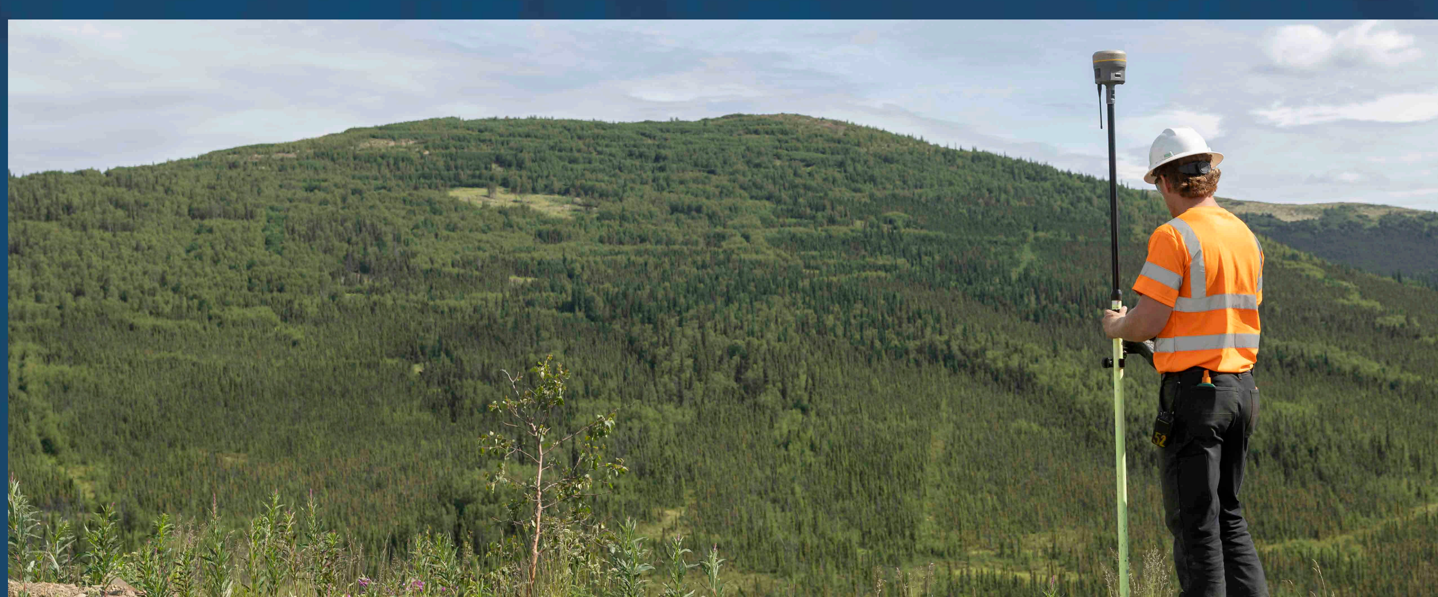
DONLIN GOLD AND THE FUTURE OF ANCSA REVENUE SHARING

How the 7(i) and 7(j) clauses could bring lasting benefits statewide - and why Alaska Native Village Corporation Association's Curtis McQueen says Donlin Gold is critical for the future of Alaska Native Corporations.

When Congress passed the Alaska Native Claims Settlement Act (ANCSA) in 1971, it created a framework that was not only about land and corporations but about sharing. Lawmakers and Alaska Native leaders recognized some regions of Alaska had more natural resources than others and built into the act sections 7(i) and 7(j) to ensure resource wealth would be distributed equitably across all Alaska Native Corporations.

Those provisions have had a profound impact for more than five decades. Section 7(i) requires that 70% of revenues from resource development by regional corporations be shared with the other regions, while 7(j) ensures that half of those revenues are further passed on to village corporations and at-large shareholders within each region. The result: a unique system where one major project can ripple benefits across the entire state.

Few people know this system better than Curtis McQueen, executive director of the Alaska Native Village Corporation Association. A veteran of Alaska Native business leadership, McQueen has witnessed firsthand how 7(i) and 7(j) checks can mean survival for some corporations or spark reinvestment and growth for others. Today, Red Dog Mine, located on NANA Corporation lands, is nearing depletion of its current deposit, and he sees the Donlin Gold project as the next crucial chapter in ANCSA's revenue-sharing story.



The power of revenue sharing

McQueen recalls learning early about the power of ANCSA's revenue sharing. When he moved to Juneau in 1977, Sealaska Corporation - of which McQueen is a shareholder - was already harvesting old-growth timber and sharing revenues with other corporations. Later, as CEO of Eklutna Inc. from 2005-2019, he saw what those checks meant on the ground. "When I was at Eklutna, we had enough income that we were driving on our own, but every April, we would get a check from CIRI – our regional Alaska Native Corporation – averaging about $168,000. For us, that was big."

Over the decades, Red Dog Mine in Northwest Alaska has become the standard-bearer for 7(i) and 7(j), generating more than $2 billion in shared revenues. But with its resources projected to be depleted by 2031, McQueen warns the system faces a crossroads. "Many corporations rely on that once-per-year check. Some corporations might use it to fulfill payroll, others might invest it to start a new subsidiary. Without new projects, we could see some village corporations struggle to survive. These distributions matter."

Donlin Gold's statewide impact

The proposed Donlin Gold project, located on Calista Corporation subsurface lands and The Kuskokwim Corporation surface lands, represents one of the largest undeveloped gold deposits in the world. If developed, royalties paid to Calista would flow into the 7(i) pool, meaning every regional and village corporation in Alaska would benefit through the 7(i)/7(j) system.

"One tide lifts all boats. The high tide we are all praying for is Donlin Gold. It might not be the largest project ever, but it is the next project that can bring shareable revenues back to the Alaska Native Corporations," McQueen said. "Anytime we can bring this project up, we should. It's critical for the future of all ANCs."

Facing uncertainty without new development

The concern isn't just about lost revenue but about what happens to corporations and communities if the checks stop coming. Alaska once had more than 200 village corporations and today there are 176. Some merged for survival, others dissolved. Without the stability of shared revenue, McQueen cautions, that number could shrink further. "We should be asking ourselves: when are the lights going to go off? What's our timeline? Right now, it's unknown."

As Red Dog's era winds down, Donlin Gold looms large as the project that could reenergize the 7(i)/7(j) system and ensure the spirit of sharing at the heart of ANCSA continues to benefit Alaska Native people for generations to come.