

Union Calendar No. 20

104TH CONGRESS
1ST SESSION

H. R. 421

[Report No. 104-40]

A BILL

To amend the Alaska Native Claims Settlement Act to provide for the purchase of common stock of Cook Inlet Region, and for other purposes.

FEBRUARY 21, 1995

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 1995

Mr. YOUNG of Alaska introduced the following bill; which was referred to the Committee on Resources

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[Omit the part struck through and insert the part printed in italic]

A BILL

To amend the Alaska Native Claims Settlement Act to provide for the purchase of common stock of Cook Inlet Region, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. PURCHASE OF SETTLEMENT COMMON STOCK**
2 **OF COOK INLET REGION.**

3 (a) IN GENERAL.—Section 7(h) of the Alaska Native
4 Claims Settlement Act (43 U.S.C. 1606(h)) is amended
5 by adding at the end the following new paragraph:

6 “(4)(A) As used in this paragraph, the term ‘Cook
7 Inlet Regional Corporation’ means Cook Inlet Region, In-
8 corporated.

9 “(B) The Cook Inlet Regional Corporation may, by
10 an amendment to its articles of incorporation made in ac-
11 cordance with the voting standards under section
12 36(d)(1), purchase Settlement Common Stock of the Cook
13 Inlet Regional Corporation and all rights associated with
14 the stock from the shareholders of Cook Inlet Regional
15 Corporation in accordance with any provisions included in
16 the amendment that relate to the terms, procedures, num-
17 ber of offers to purchase, and timing of offers to purchase.

18 “(C) Subject to subparagraph (D), and notwithstand-
19 ing paragraph (1)(B), the shareholders of Cook Inlet Re-
20 gional Corporation may, in accordance with an amend-
21 ment made pursuant to subparagraph (B), sell the Settle-
22 ment Common Stock of the Cook Inlet Regional Corpora-
23 tion to itself.

24 “(D) No sale or purchase may be made pursuant to
25 this paragraph without the prior approval of the board of
26 directors of Cook Inlet Regional Corporation. Except as

1 provided in subparagraph (E), each sale and purchase
2 made under this paragraph shall be made pursuant to an
3 offer made on the same terms to all holders of Settlement
4 Common Stock of the Cook Inlet Regional Corporation.

5 “(E) To recognize the different rights that accrue to
6 any class or series of shares of Settlement Common Stock
7 owned by stockholders who are not residents of a Native
8 village (referred to in this paragraph as ‘non-village
9 shares’), an amendment made pursuant to subparagraph
10 (B) shall authorize the board of directors (at the option
11 of the board) to offer to purchase—

12 “(i) the non-village shares, including the right
13 to share in distributions made to shareholders pur-
14 suant to subsections (j) and (m) (referred to in this
15 paragraph as ‘nonresident distribution rights’), at a
16 price that includes a premium, in addition to the
17 amount that is offered for the purchase of other vil-
18 lage shares of Settlement Common Stock of the
19 Cook Inlet Regional Corporation, that reflects the
20 value of the nonresident distribution rights; or

21 “(ii) non-village shares without the nonresident
22 distribution rights associated with the shares.

23 “(F) Any shareholder who accepts an offer made by
24 the board of directors pursuant to subparagraph (E)(ii)
25 shall receive, with respect to each non-village share sold

1 by the shareholder to the Cook Inlet Regional Corpora-
2 tion—

3 “(i) the consideration for a share of Settlement
4 Common Stock offered to shareholders of village
5 shares; and

6 “(ii) a security for only the nonresident rights
7 that attach to such share that does not have at-
8 tached voting rights (referred to in this paragraph
9 as a ‘non-voting security’).

10 “(G) An amendment made pursuant to subparagraph
11 (B) shall authorize the issuance of a non-voting security
12 that—

13 “(i) shall, for purposes of subsections (j) and
14 (m), be treated as a non-village share with respect
15 to—

16 “(I) computing distributions under such
17 subsections; and

18 “(II) entitling the holder of the share to
19 the proportional share of the distributions made
20 under such subsections;

21 “(ii) may be sold to Cook Inlet Region, Inc.;

22 and

23 “(iii) shall otherwise be subject to the restric-
24 tions under paragraph (1)(B).

1 “(H) Any shares of Settlement Common Stock pur-
2 chased pursuant to this paragraph shall be canceled on
3 the conditions that—

4 “(i) non-village shares with the nonresident
5 rights that attach to such shares that are purchased
6 pursuant to this paragraph shall be considered to
7 be—

8 “(I) outstanding shares; and

9 “(II) for the purposes of subsection (m),
10 shares of stock registered on the books of the
11 Cook Inlet Regional Corporation in the names
12 of nonresidents of villages;

13 “(ii) any amount of funds that would be distrib-
14 utable with respect to non-village shares or non-vot-
15 ing securities pursuant to subsection (j) or (m) shall
16 be distributed by Cook Inlet Regional Corporation to
17 itself; and

18 “(iii) village shares that are purchased pursu-
19 ant to this paragraph shall be considered to be—

20 “(I) outstanding shares, and

21 “(II) for the purposes of subsection (k)
22 shares of stock registered on the books of the
23 Cook Inlet Regional Corporation in the names
24 of the residents of villages.

1 “(I) Any offer to purchase Settlement Common Stock
2 made pursuant to this paragraph shall exclude from the
3 offer—

4 “(i) any share of Settlement Common Stock
5 held, at the time the offer is made, by an officer (in-
6 cluding a member of the board of directors) of Cook
7 Inlet Regional Corporation or a member of the im-
8 mediate family of the officer; and

9 “(ii) any share of Settlement Common Stock
10 held by any custodian, guardian, trustee, or attorney
11 representing a shareholder of Cook Inlet Regional
12 Corporation in fact or law, or any other similar per-
13 son, entity, or representative.

14 “(J)(i) The board of directors of Cook Inlet Regional
15 Corporation, in determining the terms of an offer to pur-
16 chase made under this paragraph, including the amount
17 of any premium paid with respect to a non-village share,
18 may rely upon the good faith opinion of a recognized firm
19 of investment bankers or valuation experts.

20 ~~“(ii) Notwithstanding any other provision of law,
21 Cook Inlet Regional Corporation, a member of the board
22 of directors of Cook Inlet Regional Corporation, and any
23 firm or member of a firm of investment bankers or valu-
24 ation experts who assists in a determination made under
25 this subparagraph shall not be liable for damages resulting~~

1 “(ii) Neither Cook Inlet Regional Corporation nor a
2 member of the board of directors or officers of Cook Inlet
3 Regional Corporation shall be liable for damages resulting
4 from terms made in an offer made in connection with any
5 purchase of Settlement Common Stock if the offer was
6 made—

7 “(I) in good faith;

8 “(II) in reliance on a determination made pur-
9 suant to clause (i); and

10 “(III) otherwise in accordance with this para-
11 graph.

12 “(K) The consideration given for the purchase of Set-
13 tlement Common Stock made pursuant to an offer to pur-
14 chase that provides for such consideration may be in the
15 form of cash, securities, or a combination of cash and se-
16 curities, as determined by the board of directors of Cook
17 Inlet Regional Corporation, in a manner consistent with
18 an amendment made pursuant to subparagraph (B).

19 “(L) Sale of Settlement Common Stock in accordance
20 with this paragraph shall not diminish a shareholder’s sta-
21 tus as an Alaska Native or descendant of a Native for
22 the purpose of qualifying for those programs, benefits and
23 services or other rights or privileges set out for the benefit
24 of Alaska Natives and Native Americans. Proceeds from
25 the sale of Settlement Common Stock shall not be ex-

1 cluded in determining eligibility for any needs-based pro-
2 grams that may be provided by Federal, State or local
3 agencies.”.

4 (b) CONFORMING AMENDMENT.—Section 8(c) of
5 such Act (43 U.S.C. 1607(c)) is amended by striking
6 “(h)” and inserting “(h) (other than paragraph (4))”.