



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

December 5, 1980

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1980-129

Mr. Chris E. McNeil, Jr.  
Corporate Secretary  
Sealaska Corporation  
One Sealaska Plaza  
Juneau, Alaska 99801

Dear Mr. McNeil:

This responds to your letter of October 23, 1980, requesting an advisory opinion on behalf of Sealaska Corporation ("Sealaska") concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), to Sealaska's corporate status.

You state that Sealaska is incorporated as a profit making corporation under the laws of the State of Alaska pursuant to the Alaska Native Claims Settlement Act ("Claims Act").<sup>1</sup> The Claims Act is codified under Title 43 of the United States Code at Sections 1601 through 1624. You ask whether Sealaska is a "... corporation organized by authority of any law of Congress" as contemplated by 2 U.S.C. 441b(a). The Commission answers this question in the affirmative.

Under the Claims Act, the State of Alaska is divided by the Secretary of the Interior of the United States ("Secretary") into twelve geographic regions, with each region composed of Natives having common heritage and sharing common interests. Five incorporators within each region, named by the Native Association in the region "shall incorporate under the laws of Alaska a Regional Corporation to conduct business for profit, which shall be eligible for the benefits of this Act so long as it is organized and functions in accordance with this Act." 43 U.S.C. 1606(d). You have indicated that Sealaska is such a Regional Corporation under the Claims Act.

Regional corporations under the Claims Act are directed to have Articles of Incorporation which include provisions necessary to carry out the terms of the Claims Act. 43 U.S.C. 1606(d). The bylaws of the Regional Corporation are approved by the Secretary and may not be amended during the Regional Corporation's first five years without the approval of the Secretary. 43 U.S.C.

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<sup>1</sup> Act of December 18, 1971, P.L. 92-203, 85 Stat. 688.

1606(e). The Claims Act establishes a board of directors for each of the Regional Corporations, and authorizes the Regional Corporations to issue common stock "as may be needed to issue one hundred shares of stock to each Native enrolled in the regions pursuant to Section 5 [43 U.S.C. 1604]." 43 U.S.C. 1606(g). The Claims Act further provides for voting rights in the Regional Corporation by its stockholders, for the assignment of any stock by a stockholder, and how the Regional Corporations are to distribute any profits. 43 U.S.C. 1606(h).

Your letter makes reference to 2 U.S.C. 441b(a). That provision states in pertinent part:

it is unlawful for any ... corporation organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to any political office or in connection with any primary election or political convention or caucus held to select candidates for any political office.

You have asked whether Sealaska is a "corporation organized by authority of any law of Congress" for purposes of the quoted language. Although the Claims Act directs Regional Corporations to "incorporate under the laws of Alaska," the Commission concludes that Sealaska is a corporation organized by authority of a law of Congress and, accordingly, is subject to 2 U.S.C. 441b(a) which prohibits the making of a contribution or expenditure in connection with any election to any political office.<sup>2</sup> The Commission reaches this conclusion on the basis of the fact that the Claims Act not only provides for the establishment of corporations such as Sealaska, but also directs such corporations to have Articles of Incorporation consistent with the Claims Act. Moreover, Sealaska's bylaws, board of directors, issuance of stock, as well as the voting rights of Sealaska's stockholders and Sealaska's distribution of profits are regulated by the Claims Act.

The Commission expresses no opinion as to any other relevant Federal law or regulations, in particular any rules or regulations of the Department of the Interior, since those issues are not within its jurisdiction.

This response constitutes an advisory opinion concerning application of the Act, or regulations prescribed by the Commission, to the specific transaction or activity set forth in your request. See 2 U.S.C. 437f.

Sincerely yours,

(signed)

Max L. Friedersdorf  
Chairman for the  
Federal Election Commission

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<sup>2</sup> As a corporation organized by a law of Congress, Sealaska may engage in the activities permitted under Part 114 of the Commission's regulations, except to the extent that such activity is foreclosed by provisions of law other than the Act. See 11 CFR 114.2(a)(1) and 43 U.S.C. 1605(b).