

HB

720

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

11TH FLOOR, STATE OFFICE BLDG.
POUCH M - JUNEAU 99811

February 28, 1978

The Honorable Alvin Osterback
Chairman, Resources Committee
Alaska House of Representatives
Juneau, Alaska 99801

Dear Mr. Osterback:

In response to the request from your Administrative Assistant, the Department of Natural Resources proposes the following changes to HB 720:

Amendment 1: On page 1, line 11, delete "7,000,000 acres of state", and delete Section 3 and insert in lieu thereof:

*Section 3 AS 38.08.010(a) is amended to read:

(a) The director shall classify, survey, and plat for homesite entry (25,000 ACRES OF) state land which is otherwise vacant, unappropriated and unreserved and is suitable for erection of residential dwellings to use as a permanent abode.

Rationale: The present language subsumes the homesite program as the major vehicle for disposal of habitable lands in the State. As was pointed out in the testimony of the Federal-State Joint Land Use Planning Commission a range of varying needs for lands exists within the State and there is a finite amount of fair to good land suitable for habitation. Mandating disbursal of most of the habitable land within one program precludes a rational, well-rounded disposal program leaving little acreage suitable for disbursal through other mechanisms such as open-to-entry, agriculture, remote cabins, land sales, etc.

Amendment 2: On page 1, delete Section 2.

Rationale: As was discussed at the previous hearing on this measure, the legal restraints placed upon disposal of interests in state lands makes the time frame set out in this section impossible to meet. If the question raised by this section was merely one of cost, we would have set forth the expenditures necessary to accomplish this mandate. However, in order to comply with this directive, a major overhaul of the methods of disposing of interest in state lands would be required.

NO

February 28, 1978

Amendment 3: One page 1, line 24, delete "In each annual offering" and insert in lieu thereof "annually".

Rationale: Employment of the phrase "In each annual offering" allows for construing legislative intent to a limit of one offering per year, which we do not believe to be the intent of the Legislature.

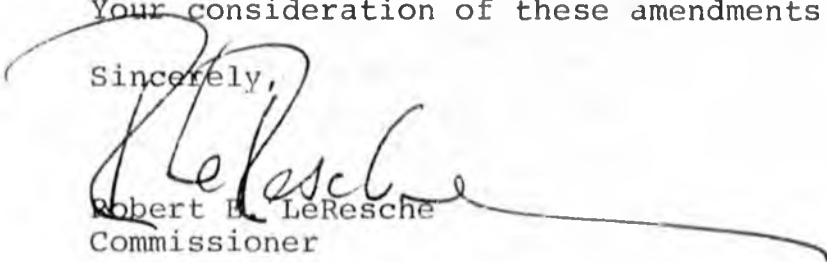
Amendment 4: On page 3, delete section 10.

Rationale: State law already provides for section line easements, and for easements to provide access to navigable and public waters. The fact that this is a subdivision type of disposal means that preliminary planning will have to be undertaken to insure roads and utility easements in accordance with platting requirements. The additional language does not do anything in that regard.

Amendment 5: No specific language has been developed but we believe that an amendment should be prepared which changes the nature of the entry permit to a contract with provision for an assignable interest. This would facilitate financing of improvements on the homesites prior to obtaining title to the parcel.

Your consideration of these amendments is greatly appreciated.

Sincerely,



Robert B. LeResche
Commissioner

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 720
 Title An Act relating to Homesites
 Requested by Pat Conheady Date 2-6-78

II. FISCAL DETAIL

Agency Affected Department of Natural Resources
 Program Category Affected Natural Resource Management
 Budget Request Unit(s) Affected District Operations, Cadastral Engineering, Classification, Land & Water Management, Management and Administration

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		702.4	744.0	789.0	836.0	886.0
200 TRAVEL		47.0	48.0	49.0	50.0	50.0
300 CONTRACTUAL		4,537.9	3,373.0	3,375.0	3,380.0	3,400.0
400 COMMODITIES		4.3	4.8	4.8	4.9	5.0
500 EQUIPMENT		36.6				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		5,328.2	4,169.8	4,217.8	4,270.9	4,341.0

FUNDING (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
GENERAL FUND		5,328.2	4,169.8	4,217.8	4,270.9	4,341.0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
FULL TIME		27	27	27	27	27
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

A. Assumptions:

* That sections 2 and 3 are requiring that a total of 35,000 acres be classified, surveyed and platted by June 30, 1979 and will therefore be the required amount for FY 79.

34,000 acres into five acre sites equal 6,800 sites times \$600.00 per site. Average cost = \$4,080.00. Cadastral rectangular survey of the 34,000 acres at \$11.72 per acre equals \$398,400. Total survey cost for FY 79 equals \$4,478,400.

Survey contract funds needed for each remaining year are:

25,000 acres into 5 acre sites equals 5,000 sites times \$600.00 per site equals \$3,000,000. Cadastral rectangular survey of the 25,000 acres at \$11.72 per acre equals \$293,000. Total survey cost per year \$3,293,000.

*Due to the problem of negotiating for survey contracts, even with immediate passage of the bill it is impossible to implement Section 2 during FY 78 and therefore has been combined with FY 79.

IV. DATE 2/17/78

PREPARED BY Dean K. Hollist
 AGENCY Natural Resources
 PHONE 279-5577

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

B. Program Summary

Personal Service

\$702,355

Southeast District:

1 - Land Management Officer II \$28,313
1 - Land Management Officer I 24,725
TOTAL - 2 \$53,038

Southcentral District:

1 - Land Management Officer II \$28,313
1 - Land Management Officer I 24,725
TOTAL - 2 \$53,038

Northcentral District:

1 - Land Management Officer II \$30,030
TOTAL - 1 \$30,030

Cadastral Engineering:

4 - Cadastral Surveyer II \$144,847
2 - Cadastral Surveyer I 67,226
2 - Cartographer II 53,933
2 - Land Management Technician I 46,525
2 - Clerk III 31,300
TOTAL - 12 \$343,831

Classification:

1 - Senior Planner \$34,799
1 - Cartographer II 25,274
TOTAL - 2 \$60,073

Land and Water Management:

2 - Land Management Officer II \$56,626
1 - Land Management Officer I 24,725
1 - Clerk Typist III 16,315
2 - Documents Processing Clerk I 31,000
TOTAL - 6 \$128,666

Management and Administration:

1 - Accounting Clerk II \$17,564
1 - Clerk III 16,315
TOTAL - 2 \$33,679

Travel:

\$ 47,000

Southeast District \$5,000
Southcentral District 3,000
Northcentral District 4,000
Cadastral Engineering 30,000
Classification 3,000
Land and Water Management 2,000
TOTAL \$47,000

Contractual \$4,537,900

Southeast District	\$10,000
Southcentral District	8,000
Northcentral District	5,000
Cadastral Engineering	4,508,400
Classification	3,000
Land and Water	3,500
TOTAL	<u>\$4,537,900</u>

Comodities \$4,300

Southeast District	\$500
Southcentral District	500
Northcentral District	300
Cadastral Engineering	1,200
Classification	200
Land and Water Management	1,200
Management and Administration	400
TOTAL	<u>\$4,300</u>

Equipment: \$36,600

Southeast District	\$1,000
Southcentral District	1,000
Northcentral District	500
Cadastral Engineering	25,000
Classification	1,500
Land and Water Management	5,600
Management and Administration	2,000
TOTAL	<u>\$36,600</u>

16 February 1978

The House Resources Committee was called to order at approximately 2:25 p.m. by Chairman Alvin Osterback in Room 118 of the Capitol Building in Juneau, Alaska. All members were present

HB 211 Creating the Alaska Land Commission

TRANSCRIPT

MR. GRAVEL:

I really appreciate the opportunity to come forward. I received the invitation from the Speaker and President of the Senate to give my annual talk as other members of the delegation to the legislature. I'll be doing that. I think we have communicated back in March, about the 28th in the morning, if that would be the morning most desirable. From my point of view that is when we are having our Easter recess and I'll be in State for that whole period. What I wanted to do at this particular meeting in which you graciously afforded me the opportunity to do is to float, literally float, the draft of legislation on d-2 which I have promised to our collective constituencies that I would do at the beginning of the year, and I have it here and I met previously with the Steering Council and gave them copies of it since it is germane to their area of inquiry. And, also as I understand it, it is also germane to your area as a committee as the subject you are going through, so I would (indisc) submit for deliberation a copy of this Bill. Would appreciate your input and would hope to introduce this in the Senate sometime right around the 15th of March. The Bill does not have the magic numbers of acreage for the very simple reason, we could have easily done it, but since all of our attention is focused on acreage I thought it would detract from the substance of legal language in question to just worry about acreage and I thought it would be more advantageous to concentrate of substance, it would be easy to put some figures together that would hopefully cast us in a compromise mood with other pieces of legislation in that regard.

Before launching into this in some detail, because there is one element from my personal point of view in paramount. I would like to speak about two pieces of legislation. I think one is the reason you are having these hearings. Two pieces of legislation that involve land in Alaska and would have some unusual impact. One piece of legislation is HB 720 which apparently

is a substitute piece of legislation for HB 211. The Beirne bill is -- which is the Beirne bill?

UNIDENTIFIED VOICE: 720

MR. GRAVEL

720 - let me speak on that one first. If I were to suggest a piece of legislation that would destroy Alaska's position in Washington on d-2 I would think that this would be the piece of legislation. I want to make sure I've got the legislation properly. HB 720 as I understand it is a substitute. That is a new piece of legislation. If the initiative were to pass I think you would see the Congress react and this would foreclose the need of my -- initiatives. My testimony to you today is very (indisc). I would hope that this legislation would come into being and it would foreclose the need for (indisc). The reason is that, and I will use two cliches, we have federal laws right now that keeps us from doing what that initiative would do. As a result of those land scandals we have had in Florida and Arizona. If we were to parcel out chunks of land to the people wholesale, as I understand it, during the initial 15 year period there would be no responsibility at all for providing utilities or any planning process whatsoever, that essentially we would be selling unsubdivided land and this would be viewed by the Congress of (indisc) responsibility and would give real credence to the environmentalist community's charge, some elements of the environmentalist community, that Alaskan's are irresponsible and therefore we need a very strong d-2 bill because we don't know how to handle our own situation. Yet I can appreciate that the referendum, the initiative, would have a great deal of popular support. In fact one of the fears I would have and it's the reason why I'm talking about it now publicly -- I only found out about the initiative, I confess, not all that long ago and I couldn't believe it when somebody described to me what this initiative was going to do. And so realizing that it has a great deal of popularity and realizing that I may be treading on some individuals' toes -- I would respectfully apologize for treading on anybody's toes -- but the utilization of land and development of land is something that I feel a certain professional confidence in. I made my living in it. I've seen how people have butchered land from the state and how unconscionable this impact can be on the balance of society because once you've butchered it up, you spend the rest of your life paying to correct the deficiencies you've created structurally. And so what we'd be doing with this kind of initiative (indisc). And like I say, if you try to do this in the private sector, you'd be put in jail for trying to do it. And so trying to do it collectively as a society, you've got to realize what kind of an impact this would have in the United States and on the Congress. Therefore, the approach that's been taken with HB 70 in my mind is a very mature approach to try and sort of save the day because we've got so far down the road in the other approach. I can only commend to

your attention the capacity to effect legislation. (indisc) in general terms.

The next item I'd like to speak to is HB 211 which is a piece of legislation that was introduced last year, (indisc) Mike Miller, Mr. Speckling. I don't know if they have other co-sponsors. I was very impressed with it. Here again I find by noticing a lot of things that you're doing, that you're just doing a lot of good work and this essentially is the tactic that I'm here to recommend that the state employ in order to regain the initiative that we lost on the entire d-2 issue. We've got a chance now as the legislation comes into the Senate to take up the initiative. If we don't coalesce to some degree -- and I'll speak to how we can coalesce and still maintain our individual positions. But if we don't coalesce, we're just going to get run over as we have in the House. But one of the recourses that we will have at our disposal would be Senator Stevens and I would just wage a filibuster. I think we have the seniority and the capability and experience to wage a very effective one and I think we (indisc) legislation. I have never been one to be proud of negative acts because you're really not contributing anything, you're just stopping something from happening. But I think the task at hand is to bring something about not just stop something -- to bring something about that's worthwhile. So we have the opportunity to do this. In the legislation that I have here, there presupposes state legislation to accompany this. That's essentially what you have in HB 211, is state legislation. So if that could be flushed out and developed and passed in a reasonable period of time, that could be our position in the Congress. It wouldn't be Mike Gravel's position or Don Young's position or Steven's position, it would be the Alaska Legislature has so spoken. There's no question it's not going to be cast in concrete but it'll be a darn sight more powerful than anything else I can think about (indisc) that anybody else would have. And so if you can meet a time frame of early mid-March before the hearings reconvene, we could have a new product to present to the Congress -- the parties behind it, the State Legislature, the Governor would probably endorse it. I certainly endorse it and I think the balance of the delegation would endorse it. Let me now speak as to what would be the key elements of my endorsement and I've tried in the past to discuss the subject to varying degrees with success, with varying degrees of comprehension. Where I am right now I can say very simply, last year this document would not have been politically possible to introduce or to float under any elective official's name. We talked privately last year as to the efficacy of having cooperative management over the entire sub-continent of Alaska. And mind you, I'm specifically using the word sub-continent and not the state, the entire sub-continent. That would have been viewed quite oddly and very suspiciously, but we've all gone through a maturing process since last year and taking the position that they just can't do it to us is not a position, it's merely a reaction. That's all we've been

doing. They can't do it to us. That's why we have no initiative. That's why we have no collective posture. But what has happened is that we now see that every one of the state-wide leaders are talking the same rhetoric. They're talking the rhetoric of collective management. And so we're not far at all. When people in politics and society can begin to use the same words, then the only transition is to go from interpretative approaches to these words. So I would just like to share with you an analysis of what does collective cooperative management mean? And what would it mean from a tactical point of view as we would try to affect a compromise in the Congress. Let's take the first part of it. What does cooperative management mean? We could say in Alaska, in this area where they have federal lands, and part of those federal lands will be in four systems, one area, one level. Next we are going to have lands not in the four systems which would be under the BLM, which would be general lands under the Organic Act. That could quote be a fifth system, if you want to use that (indisc.) Then you've got state lands. That could be a sixth system. Then you've got Native lands, that could be a seventh system. And then somebody decides, well, there's a chunk of land here that maybe we ought to study or (indisc.) a little different, so let's make that a seventh (sic) system and we'll call that -- that's land that we think we're going to work and study together. And then you could have municipal lands, that's the eighth system and whatever lands that are held in patent today, you could develop and call it a system. You've just got a whole plethora of activity and definition on lands. And, in only one area where you have federal/state cooperation do you call that cooperative management. For my mind, if it's worthwhile to have cooperative management on one acre of ground -- if there's any merit to that concept at all, since there's really only two governmental entities on to themselves (indisc.) the federal government and the state government, then if it's worthy of having some cooperative management, then why just put it as part of it? Why pick up capriciously or arbitrarily ten million acres and say we're going to study that as cooperative management. If there's some merit to cooperative management, let's just do the whole thing in cooperative management. And then when you begin to think of it in that respect and the rhetoric is there for that, every one of the elected high officials quote, so to speak, are talking that rhetoric. We may have differences in the definition of cooperative management, but at least we're there.

Now let's look at what that would do. On the four systems lands, there's no way that you're going to have cooperative management. You usurp the powers of the Congress, literally. But (indisc.) you could very well do that. In a society of representative government, power is many times knowledge. Not always, but many times. And so if we set up a system, like the Land Use Planning Commission which is a vehicle for cooperative management, that Land Use Planning Commission has the ability to acquire knowledge

through research efforts, then that knowledge places them in a superior position than the individual members of Congress, or for that matter even yourselves, as individual legislators. And the reason why they have more knowledge is because they'd be more expert in the one particular area. The legislature and the Congress have a whole (indisc.) of issues that effect all facets of human life that we have to deal with continuously. So that simple fact that the Land Use Planning Commission in Alaska would be the major repository of land information and its use and adjudication would give it an edge that when it made a pronouncement or a study on something, that study would have great credibility in the Congress and I mean considerable credibility. Just as the present Land Use Planning Commission today, which is merely a voluntary organization, so to speak, when they'd come in and testify before the Interior Committee, it carried every bit as much weight as an individual member of the Congress. So you begin to see where the shift would take place. Ask yourself why the House of Representatives under the leadership of Mr. Udahl and Seiberling don't want a Land Use Planning Commission that has any muscle. In fact the one that I introduced in 1971 had police powers and came out of the Senate that way. It was diluted in the conference on the House side. The reason why it was diluted was because they did not want to see a diminution in the power at the federal level. Well if those fellows back there think that there's a diminution of power at the federal level, where do you think that power goes. It's going to come back at this level, maybe in federal hands, but really what's happening just in that process alone and in the process that takes place on federal lands that are handled by the Bureau of Land Management, you've shifted the center of gravity from the federal government in Washington to the federal government in Alaska, meaning that there's a great principle of government that's closest to the people (indisc.). So if we now have the Land Use Planning Commission that will adjudicate all federal lands save the four systems, but will have an effect on the four systems because of their superior knowledge, we've made quite a gain. Now that's on the federal side. On the state side, if we take all the state lands that are presently there except lands that are in municipalities and boroughs and that they would come under (indisc.) of the Land Use Planning Commission and then offer entry into this to the Native community so that the Natives would voluntarily bring their lands in -- that could be very simply -- you could initiate a study of possible taxation would take place -- the Native community, properly so, has great fear over the possibility of future property taxes. They could be land poor. Their land could be under development and that they would have no ability to have a cash flow to handle that form of taxation. So they rightfully, from their point of view, would like to see them absolved of this. That could be the ingredient that would bring them in on a voluntary basis. I think not to do it more than on a voluntary basis might cause some real acrimony since they would feel that they received

their lands as part of a legacy, the land claims, and then if we pulled a win by fiat, I think they'd feel that they had been violated. And rightly so in the one sense. The balance of the land that's in boroughs is already subject to a planning process. We have that in state law and so there need not be a duplication. There need but be a liaison relationship established so that a community that develops a plan, or borough or municipality, it would have a five year projection of what that plan would be, they'd submit that plan to the Land Use Planning Commission, and the Land Use Planning Commission would give it its seal, would sign off on it. But the function would be done by the municipality. This would solve the obvious problem of where individual governments come together, the frictions and the discoordinated activity is handled intelligently. So in this way, you look at the continent and I've just enumerated a process where all lands in Alaska is now under the aegis either directly, the Land Use Planning Commission or (indisc.) through the knowledge process of the four systems. Where that becomes a valuable tactic is that when we now talk to and negotiate in the Senate with the environmental community, national community and say we don't think that we need to put in a hundred million acres or ninety million acres into the four systems because we have a device that will continually adjudicate the use of land on an intelligent basis as a product of study. And so they're cast in a mode of saying well no we don't want to do something before we study it. Let's put it there before we study it. I don't think that's a very credible position for anybody to have. In fact when you look historically at why the environmental community has its extreme posture in some areas, it's because they could not get a resolution of the problem as they saw it in a legitimate fashion. And so what happens -- it's a simple process -- if you don't permit evolution, you have revolution. And so since we don't have a (indisc.) process in the United States of America, those people who are deeply concerned about the misuse of land and the atrocities that took place in the past and you need to travel this great country to see these atrocities then they are so fed up and their cup runneth over with such reaction, that all they can think of is that we just don't trust anybody. We don't trust anybody so let's just lock it up. And in some cases you can look around and there's valid reasons for that posture. And I would say that if we passed that referendum, that on the national point of view there would be a valid reason to lock up major portions of Alaska. So they're at where they're at because there wasn't a process that permitted the intelligent organized adjudication of land. So what I'm proposing here is that we lay down a device that will have definitive powers which will be able to adjudicate the land on the sub-continent. Of course you get this attitude -- the brokers say well I'm not too keen on that commission because obviously they're going to put a bunch of environmentalists on that commission and they're going to stop growth. Then you talk to some environmentalist and they say

well boy I'm not to keen on that commission because they are going to put a bunch of chamber of commerce types on there and they'll rip up the country. Essentially what both parties are saying is that they have no confidence in our system of representative government because, you know, what's the point of having a legislature, you might get some dingalings elected to it and many times we do. We've had them in the Congress and we've had them here occasionally. So that doesn't mean that we don't develop a system of representative government because sometimes it fails to work. We don't have any options. Either anarchy or we develop a pattern of evolving things in an orderly fashion and this, of course, is what I think would be a most compelling argument in the Congress. Looking at individuals, Scoop Jackson has passed a land using planning bill twice in the Senate. It's failed both times in the House. I think (indisc.) I think many other members would view this from the environmental community, Senators in that area, would view this as an unusual opportunity to establish a prototype. I think that we could -- in the future I would recommend that we have a sunset feature in this. We don't know if this is going to work. We'll say this law is going into effect for ten years. At the end of ten years the Congress has to renew its charter of the law, of the situation, and so would the state legislature. So if it succeeds, it will build its constituency of success and it will be easy to renew and if it's not working very well, it will have an alternate constituency and it will be very easy to stop its renewal. And I think that that really could ward off a lot of serious criticism and would permit us to negotiate down the quantity of acres to something reasonable and something obvious because there are obvious easy decisions to be made in placing land in the four systems. But it's the quantities that we find disturbing and the fact that we don't have the vehicle to make changes. But if we've learned anything from the Statehood Act and from the Native Claims Act is that we've had a steady stream of people to Washington trying to resolve all of those problems that have been placed with the Congress. Well if that doesn't tell us something that we should have a body that should be deliberating on these problems daily. The other thing that I would recommend is that we take the Clean Air Act, the Solid Waste Act, the Coastal Zone Management Act and the Clean Water Act and place this under the aegis of the Land Use Planning Commission. Let me give you an example. Right now supposing we took the interior of Alaska -- somebody wanted to build an asbestos mine and a cement factory, let's say two of the real bad polluting elements, and it was a group of Natives that had a mountain and they made a joint venture with some Japanese interests and New York interests and they're going to come in and they're going to build a cement plant, maybe we'll build a dam and other devices, that we'll need some cement and the economic success would warrant it here in Alaska. How does that take place? Well presently what you do is you deal at the borough level, then you turn around -- if it's in the borough, if not you just go to the state level and you're bicycled

around to the various interests be it land, be it for water, be it for access. The access is very much undetermined. You don't know what the access is going to be. But under the plan I'm suggesting, you'd develop your plan and you'd go to the Land Use Planning Commission. The Land Use Planning Commission would do exactly what the legislature's done which I think has shown great maturity. You've got to hire some consultants to evaluate this for me, I'm not in the cement business, I don't know anything about cement. Come in and tell me what that means. Come in and tell me what the access requirements are going to be and how (indisc.) with this possible development up there. Analyze for me if (indisc.) what the air pollution will be. Do all those things as one coordinated body. And then when you know all the facts, these nine individuals will say yes or no. That's it. And when they state their approval, that's it. You don't have to go over there, or getting dragged here or having a catch-22 there. You're getting it all done at once. That to me is efficient from an economic point of view and from a knowledgeable decision judgmental point of view, it's just excellent. Because the people will be expert in this area. That's all they will do. They'll be handsomely paid and they will have research capabilities. And then a decision will be made. Yes or no (indisc.). Another question -- people want land. There's no reason why people cannot have land and I certainly in my opposition to the referendum, I hope that it won't ever be construed that Mike Gravel's against people having land in this state. I believe in private property. I think it's an excellent base to our free enterprise system. But there's got to be something reasonable to it, because when you give somebody a piece of property, it's got to be a legitimate piece of property. And legitimate means you've got to have access to it, he's got to have water, he's got to have air that he can breathe on his property. He's got to be sure that he's not invaded or polluted by his neighbors in that regard. So there's got to be an orderly process. There's no reason why if a person wants to go out and live in a wilderness, that he can't go to the Land Use Planning Commission and say hey, I want five acres. I want to go out and chop trees and haul water to a cabin in a bucket. And there's no reason why the Land Use Planning Commission can't look at this and say, hey, here's your five acres, go at it -- and bring an orderly process to that type of existence. There's no reason why that can't be done. So we can handle every facet of this. The only thing that I'm (indisc.) begging for is that by God we're intelligent human beings, let's do it in an orderly fashion and set up a vehicle to do it in an orderly fashion and essentially that's the case. I could go through and perhaps we could stop at this point for some question and answers and then in this draft proposal, this deals specifically with the Land Use Planning Commission which is really the guts of this proposal. This proposal is essentially the collective conventional wisdom of where we're at in the whole d-2 situation. Subsistence is no longer a gut, backbreaking issue. The fact that we're going to legislate state land, title land, Native land titles is something that's pretty well accepted, a whole host of things. What's new probably in here is an authorization for five hundred million dollars for a

transportation system to Mt. McKinley. That would be a new element in there. That's a simple thought that if it works this way, we're going to have the greatest park in the United States and probably the greatest park in the world, we'd darn well better make it accessible to the American people. It's tough to get there right now. I get there, I get there in a helicopter, but that's not the way it should be available to the American people. So I've got an authorization in there if Congress wants to make a great park, they've got to pay to let the American people see it.

The other key element (indisc. -- cough) this draft here of the language. On the second page of this draft I've detailed what I would recommend as suggestions and I really want to underline suggestions. It's all a product of how much thought you want to effect on an issue and so when you people start your deliberations and marking up the legislation, you're going to think of things that we haven't thought of and to that end, when you get to that point, where you decide to go that, I would have Pat Prusho (ph) on my staff spend some time in Juneau so we can monitor what's going on so that we understand your thinking processes so that we stay on the same wave length. These are just, these are suggestions of what I think the state legislation should encompass and I can't help but be struck by the parallel with HB 211 and so HB 211 in my mind is a vehicle that you should ---. You already have introduced. It's under hearing now. When your hearings are complete, you can begin markup on it. I would hope you'll just consider these suggestions to be incorporated into HB 211 and if you have HB 211 out as a product by mid-March -- and if CMAL -- and I have every reason to believe that CMAL might be willing to endorse such a proposal. I can't speak for the other members of the delegation but I think that they would all be happy with a coalesce that might take place as a result of your actions. So let me just close with that point and you can proceed with questions and answers.

CHAIRMAN OSTERBACK:

Representative Malone.

MR. MALONE:

Thank you Mr. Chairman. Senator, first I'd like to thank you for making yourself available to the committee in this type of setting. As far as I know this is the first time a committee of the legislature during this legislature at least on the (indisc.) question has had an opportunity to meet in a hearing setting with a member of our congressional delegation. As legislator to legislator, I appreciate that. To begin with, some of the legislation that you

discussed at the beginning of your presentation, specifically HB 359 and the initiative which is now certified to the ballot in Alaska (indisc.) initiative, while I personally think that there's some problems with that legislation (indisc.) approaches that were set out in HB (indisc.) last year and HB 720, to be candid about it I would have to say with regards to this position of state lands, I'm usually relatively suspicious of recommendations coming from the federal arena. (Indisc.). On the two different approaches the homestead initiative versus the home site program, I think of the two that the more modern one is probably the better at least at this time. Coming down to HB 211 -- I don't think it's really any accident that that legislation parallels the possible compromise position that might be reached in the Senate. It did go out of consultation between members of the legislature and I think the congressional delegation and state administration last year and also through consultation with members of the Federal/State Land Use Planning Commission but my basic question on that approach, the management program approach as opposed to the classification and lockup of large amounts of federal land in Alaska is how realistic is the approach? How likely is the Congress, at least the Senate, to adopt on a consensus basis, or adopt that approach as a compromise position because that's the information we need to know in the legislature in order make a realistic determination as to what strategy we should pursue on the whole d-2 question. I gather from some of your remarks, that I think a compromise is possible. That Senator Jackson, yourself and others would be able to adopt an approach like this and perhaps sell it to the Senate and that work by the legislature on this question and putting an effort and interest in the concept would be valuable in reaching a compromise position on d-2 lands in the U. S. Congress. Is that correct then? Do you think that there's a real chance of a compromise being developed perhaps along these lines in the Congress?

MR. GRAVEL:

(Indisc.) I think the international environmental community has felt (indisc.) over their success and support both in the White House and the House of Representatives. In order for them to be placed into a compromise mode they have to fear that they will lose something. I've tried to convey as much as possible from my particular office that without this land use planning process, without a mechanism that I would be prepared to filibuster the bill. And the very simple reason is that I just feel that we'll never have an opportunity again to effect a planning process. It's such a complicated issue in the national arena. People are so afraid of it. And we're now pressured into a situation that we're prepared to now accept a planning process. And it's because we're about to be run over and so if that is what saves the day, I think it will turn around and be constructed to not only save the day but making

a significant contribution to human advancement in the process of how we deal with ourselves in society. We have to develop a planning process. I think that when they're faced with a situation that they're not going to get entirely what they want, and realize some of the things that we have (indisc.) compromise may prevail on their side. I have not been criticized in this approach and like I say I've covered it now for over a year or more privately, sometimes publicly, depending on the forum and I've never been criticized by anybody in the community for the idea. The only negative criticism has been well, that kind of people won't be appointed to the commission. To me that's not a valid criticism. That's the only criticism that's been heard. So I think it will be appreciated. And some environmentalists will realize that if this succeeds in Alaska, this is the (indisc.) of the nation. And if it doesn't succeed in Alaska, we'll go back to square 1. So both sides are going to have to give a little bit. Where the acreage will finally wind up, anybody can guess. That's really (indisc.) conference where you're shouting each other down and that process is not going to be all that logical. But the question is (indisc. -- pounding) to the conference. And so if we can do our work in the Senate in the conference, it's every man for himself. I think we'll clear ourselves very well on that. It's tough to argue against this. We're talking about -- it's tough to argue an orderly approach to things, regardless of how you feel, very tough to argue against that. That's the essence of what I'm proposing. The rest is already accepted by and large. So it's land use planning, how much it covers and the size -- how many acres. That's what we're down to in the whole process. How many acres, land use planning process and one sort of can balance out the others because if you have a process, you don't need so much acreage and you don't have to be afraid of locking up or putting away so much acreage into a system. You've got a process to deal with it. So in brief, to answer your question, I think we have a good chance to develop the elements of a compromise. Not to speak of the coalesce thing that will take place within the Alaska community which is lacking now for -- and probably for a very fundamental reason -- not so much I've got a personality and they have their personality -- we are all representatives of some degree of element in our constituency and I think the lack of coalesce is because we weren't at a mature level to coalesce. And I don't mean just the four of us in state-wide office, I mean just the whole (indisc. -- cough). This year has been a very sobering year. And I think we're getting there fast. The question is, we'd better get there real fast if we want to take the positive approach. If we don't get there fast enough then we can take the destructive negative approach.

CHAIRMAN OSTERBACK:

Thank you Senator. Are there any more questions from the committee.

MR. MILLER:

Yes, Senator Gravel, you were talking about the four systems -- (indisc.) but do I understand that what you're proposing still does

have a generous (indisc) of national park, wild scenic rivers, residues of the national forest and that sort of thing? More than 25 million acres.

MR. GRAVEL.

Considerably. The base would be twice that much, as I would say the negotiations would begin somewhere between 50 and 80. So we will tighten up between 50 and 80 and enlarge and be guided by your reaction in that area. I obviously would, with my staff, sit down with Pat and others and yourself when you get back there and go over maps. It truly is somewhat ... You know there is and I know there is, The summer season is nothing. You know areas and I certainly know areas that I would have no difficulty at all in making decisions as to what system we go to.

MR. CHAIRMAN.

Are there any other questions?

I would like to ask a question. Since we have native land claim settlement going on in our communities to determine land to build a home on, how long do you think it would be before title to your land, where they could build?

MR. GRAVEL.

The title problem in this proposal we are talking about here again I think we are (indisc.) at this point when we settle d-2 we are going to settle the land transfer question right then and there. We are tired of being dragged and delayed and working with an uncooperative bureaucracy, so it's (indisc) for this process here.

MR. MALONE.

Could I bring up one ...

MR. GRAVEL.

I have had, not from you, Hugh, but a couple of members of the legislature called me for my views on a trip back in Washington and characterized by some that they all want to get together and go back to Washington. I think that would be a terrible mistake for everybody to get on a plane and go back to Washington for several reasons. One: You would gobble up all the offices of Senator Stevens, myself and Don Young, and we would be doing nothing but handling your presence which would not permit us to be working effectively. Two: It would be viewed very much

by the Congress and by the national media as conspicuous consumption, and three, that many people visiting Washington the members of Congress would be a little oppressed. What I would suggest would be to appropriate monies for every member of the Alaska legislature to come to Washington and that they be staggered out, come in pairs, two and three, not too much more than that and they would start right after your session has been terminated and I think it would be very beneficial as to what could be accomplished and I think you could do effective lobbying and come in and talk about areas of your expertise and interest to various members of the committee, the staff and Congress. Too, I think when you come back there you are going to get a feeling of what's going on in Washington, perceptions and I think that base of knowledge (indisc) regardless of the d-2 issue and as you pursue your political careers it will help you very much. There is one detriment to that and that is obviously some of you will come back and covet the offices of those of us that are already there. That is a gamble that we will have to take and if we treat you nice in the future we might not have to be harassed so extensively, in forms of a challenge I might say. I have never seen harassment in any other form. You have always been gracious. So in responding to those phone calls privately I have outlined this and I don't think I went into this much detail because I hadn't given that much thought to it but I would hope that you would look at it in those terms and that it would be a good investment for the public officials to come back, but to come back in very small numbers and to come back stretched out over a period of time and you will be surprised because this issue is not going to be solved either beneficially or negatively prior to the probably the first of October of next year. We have all summer.

CHAIRMAN OSTERBACK.

Representative Malone.

MR. MALONE.

Thank you, Mr. Chairman. First of all (indisc - cough) follow up statement on your last questions, in this question of transfer of title and the disposition of the different land settlements, it occurs to me that in addition to the resolution and legal entanglements there may be, and I haven't (indisc.) there may be a problem with the ability of bureaucracy to deal with the sheer volume that they are facing. Recently I think we have come to the conclusion in the State of Alaska that a similar situation exists with respect to the disposition of some of the state lands they are owning and quite often the answer is money so I would think that in addition to the legal resolution that if the Congress is serious about expediting settlements that they would respond to your urgency to appropriate money to make the process take place within a reasonable period of time. A certain question with regard to trips by members of the legislature to go to Washington on the d-2 crisis, an additional suggestion was made by Senator Stevens during his visit with the legislature

that it might be his thought to appropriate funds for allowing members of the Congress to visit the State and meet with people and perhaps view some of the areas that are proposed for the classification. What is your reaction to that?

MR. GRAVEL.

Last year I felt very strongly about that and suggested that in our deliberations when the four of us were meeting. I felt strongly then because we had the whole month of August of last year and I had about ten members of the Senate that had agreed to come up here and that was just the beginning and it expanded that we had thirty or forty members of the Senate. We were unsuccessful in getting federal money at the time and the subject did not have the (indisc.) of state legislature coming up with the money to do this. Now you have only got two opportunities. You have the 4th of July recess and you've got the Labor Day recess. There is no August recess because it's election year and they are going to try and get out early to campaign. The time frame is so short and it is a very difficult time to bring people up in that regard. The other is, you know it becomes a little sobering, it's not an easy task to do that and it cost a lot, a lot of money. I'm told (indisc. cough) that it was over a million dollars (indisc. cough) to bring us up here so you are talking about a considerable commitment of money and a million dollars would only be for four, five or six members to come up here and handle it properly. Whenever members come up, I am sure Senator Stevens devotes a lot of time, and I know that two years ago when I had five members of the Senate coming to Alaska, it took literally over forty days of the time of my Administrative Assistant and then a lot of time within staff and during the trip I spent all my time with each member making sure that each detail functioned during that whole ten day period, so these are all the things you would have to provide for and if they came here and didn't have a good trip you would have spent your money and done as much damage as you could have possibly have done. The other thing is that we have had -- Udal and Seiberling spent a lot of time in Alaska and didn't do us that much good on the particular views that we hold, but it cuts several different ways and I think that as we get closer to the frame here I would hope that we would not panic and you know throw things every different way and I remember that old cliché that when the going gets tough - the tough get going. That is where we are at. That is where we are going to take the measure of ourselves. We aren't going to run around like a little white mouse holding our hands (indisc) so just throwing money isn't going to be the answer. It could be very damaging. Alaska does have the perception in the eyes of the American people of being very wealthy. We confirm that perception every time we do something out of the ordinary. Sending the Alaska Legislature to Washington is (indisc.). I don't know if it ever has been done in American history. Inviting the entire United States Senate and the House of Representatives on us to Alaska and prepare to

pay their way is a little out of the ordinary. You know there would be a greater exodus then they had at the Battle of Bull Run if the time were right, so we have to be careful. I think there is some merit in it but I think it should be done (indisc.)

CHAIRMAN OSTERBACK.

Thank You. Mr. Parker.

MR. PARKER.

\$31,500 is not a great deal of money. We spent over \$800,000 on the Steering Committee to go back and convince certain people in Congress that we would like to have a little bit more of input on the d-2 lands, so if we are talking about \$31,500 (indisc) I don't know for each member.

That's for each member.

MR. PARKER.

That's the total. (Indisc. simultaneous speech). We get per diem. We get per diem while we are here. \$31,500. You could spend the rest of the year saying it didn't cost very much money but it looks like a hell of a lot. (indisc.)

I think this is the time Alaska should make full determinations and something like this might catch your imagination.

MR. GRAVEL.

You know the old days of rah-rah type of activities, you know like statehood, that's not what we are asking for. We are asking for the Congress to be generous in its adjudication of federal land - not state land - federal land. This land belongs to everybody so the guy, remember Seiberling's statement, remember the cliché that was used by an Alaska, boy this is a big federal land grab and the environmentalists are grabbing all this land in Alaska and Seiberling came along and said yah there is a land grab going on. The people of Alaska are trying to grab our land. Our means federal government. We live here, we get confused with the language as to whether its federal or state, but remind you the state it is 430,000 and with the federal it is 220 million. A big difference. If you were to send back the whole Alaska legislature all at once -- you know the only place I think we differ is that I think it is very important for you to go back. I would only differ in the way you go back. I would like to see you go back quietly without fanfare and do things in a nice

(indisc) fashion rather than swamp us back there and that is literally -- literally swamp us, and we wouldn't be able to handle it, the appointments -- you might plan the trip and then all of a sudden we might have four or five key votes in the Senate on the Panama Canal Treaty in the House and you might have four or five key votes on some (indisc) legislation and you would all be sitting there with your bare faces hanging out. You can't plan, things change very quickly. So the worst that could happen if you string it out you might have a couple bad visits by two, three or four people, not by the whole (indisc.) I don't think -- there is a page out of the book of the Wealthy Philadelphian, it was during the depression, and it was one of the few places in the world that they did this, was that when the depression is (indisc) you don't drive Cadillacs. (indisc. cough). Just keep a low profile. And that is why Texas has had such difficulty it is because they have been too spectacularized, and what we in Alaska have to do is give a low profile and just go get the goods. That's what the natives have done, they handle the federal bureaucracy very well. Just come in slowly, two or three at a time, the only time we ever had the whole native (indisc) was on Alaska Day. But up until that it was a steady stream and we still have a steady stream. There is probably no crowd of people on this earth that better handled the federal government than these Alaska Indians and I think we should take a page out of their book and keep a fairly low profile, and they got in trouble when they had high profile, you know when you heard statements well we are going to do this and we are going to vote, and that always hurt their cause. When they kept a low profile and did their homework they did well. I didn't mean to (indisc.)

No, No, it's getting back to a initiative, you know, it might be far out, but nevertheless it's a serious initiative and 22,000 people (indisc.). People are frustrated with the fact that they are surrounded by land can't (indisc.) \$20,000 for a lot to build on undeveloped land and we have nothing but land so I can understand (indisc).

MR. GRAVEL.

The worst thing we could do is pass a law telling people we are doing something for them when you are not. When you talk in terms of giving somebody land you have got to give them access, you have got to give them air, you have got to give them water, you have got to give them all those things, otherwise if it just a little piece of paper that they own land and they can't experience that ownership you thought they were frustrated before they'll go beserk, because you cheated them.

MR. PARKER.

I'm not speaking in favor of it, I am just speaking the way it is.

MR. GRAVEL.

Oh, no, I agree with you. That is exactly the way it is.

MR. PARKER.

Of course we have a problem here is that we have endorsed more or less a compromise, it might not be much, (indisc.) but what would happen if it was approved by the voters of Alaska how would that affect d-2 specifically. Would they lock everything else up?

MR. GRAVEL.

Like I said I don't (indisc.) the last month. I am supposed to be generally informed. I know that the Congress is not knowledgeable about this referendum and I'll bet you that when it does become known, and this public meeting here is going to carry it to the Congress. I mean, the environmentalists would absolutely be fools from their practical point of view if they didn't jamb this down our throat one little piece of paper at a time, and I would have no response. If I were testifying (indisc. cough) and somebody said well, Senator, you say that you people can handle the management process up there, the referendum has 22,000 Alaskans that want to carve up the land the way they used to do it in the land frauds of Arizona and Florida, do you really think that you can make the people in Alaska mature enough to handle the problem. Don't you think we should lock up a major part of Alaska. How do you think I would be able to answer that? How would you answer it?

MR. PARKER.

That's after the fact. (indisc). Wouldn't it be just as bad to give them, say through this piece of legislation, 20 million acres as a sort of a compromise, wouldn't that be (indisc).

MR. GRAVEL.

The process here would be to give them the land and the other process is to give them a piece of paper, which has evidence of land. The paper could be fraudulent. See, that's the difference between, you know I could buy land in Florida and go down there and plot it and see that it's got a road to it, see that there is electricity to it, see that there is a municipality, proper plan, and that it is zoned properly, or I could have sent in my \$100 down payment, my \$5.00 a month for the next twenty years and then I go down there later when I am ready to retire and I find out that it is under water. It's a valid piece of land, you know, but it floods four or five times a week. I have been cheated. There is no road to it. I have been cheated. That's why we pass federal laws so we can't - we can't sell these mail order properties, so

what we did, we designed a referendum capitalizing on the frustration and the lack of knowledge of the people, and we are going to give them a bunch of pieces of paper that's going to be useless, absolutely useless. (Indisc.) supposing I send in and say I want a piece of land right here. It is not in any native entitlement. I want that piece of land, I want 200 acres. So somebody sends, the Department of Natural Resources or whoever sends me a deed. I've got my deed. I wait around and then I finally take a plane up there and maybe hire somebody to drive me out to my property and it's nothing but a sheer cliff. You know, it's about a 45 degree angle (indisc.) What do I do, I've got my deed in my hand, I've spent a lot of money to get it. I would be so hopping mad at whoever was elected to office, whoever thought of this concocted scheme I would shoot them on sight.

MR. PARKER.

Let me finish this, I guess my question is, what do we do about it now? (indisc. simultaneous speech and laughter).

I think Hugh said it, I am here to legislate (indisc.) I don't pay (indisc.) answers. I think we have one heck of a problem.

MR. GRAVEL.

I thought of one, are all of these things valid that people just thought out (indisc. simultaneous speech - laughter). I am starting to do things in my life that I haven't thought out. It is a real tragedy, it really is. The fact that 20 some odd thousand signatures you know the only thing I can say is that that is not a majority of Alaska.

MR. CHAIRMAN.

Mr. Malone.

MR. MALONE.

Thank you, Mr. Chairman. On that subject, of course, I think that the referendum to a large extent does capitalize on people's frustrations and I think those frustrations are unlikely to be relieved if the referendum should be adopted. There will be problems of access, there will be problems of services, there will be problems of getting clear titles and there are only really two courses of action that the legislature can take at this time. One is to adopt an alternative program that would preclude the ballot measures, I don't know if there is a responsible program that would really preclude the ballot measures under the laws of the Constitution, of the State of Alaska and make an attempt

in that direction. The other thing is responsible measures at least to point out the shortcomings of the proposed initiative. I think the ideas behind it are probably valid at least at the root but I think it something that is not going to work once adopted and I expect it to be adopted because on the ballot at least it would be today. It might be time to change the (indisc.) between now and the election, not right now, I admit, but I think there are going to be some problems in even gaining the piece of paper that Senator Gravel is talking about there will be worse problems when it comes to access and should people manage to settle on the land they will need some kind of access and get their title. They are not going to get any form of governmental services whatsoever or most likely an economic basis to generate anything for a long, long time. In addition to the problems that might create in terms of perceptions in the Congress of the United States, I think the problems are of internal program that should be raised on the question on the ballot and I don't see any other course or anything other than those two courses of action (indisc.) I don't think that the question should be ignored. I don't think that is responsibility either even if the ballot measure should fail it is going to come back again.

MR. GRAVEL.

I was hoping to sit this year out, but if that's the situation that the legislature does not have the power to correct, change the setbacks we have, I am sure I will be out there campaigning against this and the only way that would be possible if a lot of others like you would join me and be out there campaigning (indisc.) I'll volunteer to lead the charge and reap whatever I reap figures in.

MR. PARKER.

Senator, getting back to HR39. I mentioned earlier that if all else fails you and Senator Stevens would engage in a filibuster wouldn't that also preclude any hope at all for next years (indisc.) of state land transference and land (indisc.).

MR. GRAVEL.

The question is that everything is delayed. We are held in suspension, it might even trigger a freeze by the executives in retaliation, but that could be in my mind a better situation than having a permanent bad situation forced upon us. So, you know, it's not much but again it's better (indisc.). I think the environmentalist and the leadership in the House certainly recognize that this is serious business. I've seen many times where you march up the hill and all of a sudden you pull the power and you don't have the ability to get back up the hill again and they are marching up the hill, they are doing quite well, you know maybe it is the time to compromise. It's only a fool in a moral contest that doesn't compromise.

MR. CHAIRMAN.

(Indisc.) any other questions?

(Indisc.)

No thank you, Mr. Chairman, I am going to be testifying on this other committee.

CHAIRMAN OSTERBACK:

Any other questions. Representative

Just one point, Mike, you were talking about low profile. This is in view of the Capital move and even worse financing the gap of the pipeline.

MR. GRAVEL.

On the gas pipeline you have just been given a presentation. I'll have some real specific requirements in that area. I need some time myself to study that. I'll be going to New York I think on the second to speak to a group on Wall Street, a group of Bankers, which is what I did several times during the Alyeska deal (indisc.) to talk to them about Alaska's future and so I will have a little better feel on that situation. (indisc. simultaneous speech, laughter). It used to be back in Washington and travelling around the country, it used to be I would be asked about wolves, in fact I can recall once in my hotel on my pillow there was a little note stating save the wolves. Probably the (indisc.) historically has been about wolves. Our mail has not run heavily nationally but wherever I go it used to be how cold is it in Alaska, now it is oh, you are moving your Capital, huh? How is that going? For some reason it has captured the imagination of the American people. I think I stated earlier that I felt it had some (indisc.) because anybody who could afford to move the Capital has got to have a little wealth, and, now I must confess, I don't feel all those decrements (ph) taking place in the quarry but they could be there subconsciously and you just don't know. Of course you can't psychoanalyze every body that you meet, but you do know that every so often when you propose a piece of legislation where you are going for an appropriation all of a sudden everybody in the room votes against you, you smell your breath to see if you have had breath, you can't understand why out of no where everybody is against you. When that phenomena occurs and its occurred to me several times, I know it's occurred to Senator Stevens, I know it has occurred to Don Young. You ask yourself, is there something wrong with me or is there something going on that I can't perceive in the subconscious of the bodies I am dealing with. I went to a hearing once on a housing issue unbelievably meritorious and my colleagues in the Senate they were having to hear it (indisc) and they started making statements, well you Alaskans got it all, (indisc.) this (indisc.) is a very very serious thing. It is almost impossible to handle, so you know we can talk about the Capital move contributing to that, I don't know. I suspect that that is about the extent of it. So far it is just an oddity.

(indisc. simultaneous speech - laughter)

It occurred to me when you said it might not be too smart for us to be out of the ordinary does the figure 4.4 billion dollars (indisc.). Is that a little out of the ordinary? Is that the figure you are talking about?

MR. GRAVEL.

Let me respond by saying this. When the Congress focuses on whatever the cost is and they focus on the fact that maybe it is a conspicuous consumption you can bet your bottom dollar that somebody is going to say if you want to do it you do it on your money. You are not going to use my money. I think that will eventually happen. Roberto Compos (ph), I don't know if you know the name, is the Brazilian Ambassador to the Court of St. James. He is the architect of the economics of Brazil, (indisc.) Brazil. Brazil is one of the five super powers of the world. It is unbelievable what is going on and Roberto is one of the great renaissance of our society in his area, he is every bit as important of a person as Henry Kissinger. He resigned from his position over the Brazilian question, and when I saw him in London when I was coming out of the North Sea, boy he just assaulted me on (indisc) so if anyone wants to get a speaker up here that wants to take that side invite him and three good speakers on the other side. I didn't mean to dodge your question. (indisc. simultaneous speech - laughter).

(indisc.) you had a question?

CHAIRMAN OSTERBACK.

Just one before we let you go. (indisc.) I have been there twice and they have a different system than we have. If they have a big buzzer in a committee room. (indisc.) a couple times we went in to see a couple Senators, and the buzzer rang and they said we have to go, there is an issue on the floor and we have to go to vote, and then they leave, so if the buzzer rings you are left standing by yourself. And their committee rooms are real small. Sometimes two chairs and I don't know what 60 people would do. They don't have room to stand. Like you said get the money and travel two or three at a time.

MR. GRAVEL.

I think this may be the beginning of doing it every two or three years. Maybe during your two year tenure that one trip should be authorized for each member so they could get acquainted with their interrelationship with federal government.

Not only d-2 and looking into the future, but do you anticipate anything more important in Washington, D.C. then d-2 in Alaska?

MR. GRAVEL.

Not at this time.

Down the road?

MR. GRAVEL.

Yes. In economic terms, yes, but nothing of permanent nature. D-2 is on the order of native claims, on the order of statehood, on the order of purchase of Alaska. Once we are by that we are by the issue, the rest will warrant attention and will obviously be important as was the pipeline. But nothing of a permanent nature, d-2 is the biggest thing we have got going. No question about that. But I am persuaded that you do your jobs much better here when you interface more directly with your Congress rather than through our office. Thank you very much. It has been a pleasure being here.

CHAIRMAN OSTERBACK. Thank you very much, Senator.

MR. COWPER:

It is going to be a great help to the Congressional Delegation and instead of going into all the reasons why we should have this and why it is such a good thing, I think that has been pretty well covered, I would like to bring up one thing and I have a specific suggestion for an amendment on the Bill. The AFN has suggested that we place in any such legislation as this an authorization for the commission or whatever it is called, to enter into cooperative agreements with private land owners and the incentive for submitting our private to the jurisdiction of the commission would be that there would be no real estate taxes on any lands put in under the jurisdiction of the commission for a period of not less than five years. This is endorsed by AFN and I think it is a good idea and I think we should have a joint management agency or joint management system as to what land is being managed, particularly contiguous land (indisc.) I would like to suggest the following amendments and then I will yield to Mr. Parker. On Page 3, line 12, omit all the language after the word "land owner". Because we would like to, I think it might be well not to restrict those agreements just to contiguous land. Then add the following section in the appropriate place. SEction 41.45.085 seems like a good place to add it. If a private land owner, including any entity established under the Alaska Native Claims Settlement Act, enters into an agreement by which the commission manages undeveloped land, cross out undeveloped, I think, by which the commission manages land owned or selected under an Act of Congress by such private land owners, for a minimum of five years such land shall be exempt from any property tax on the land for the time it is managed by the commission. If the land is withdrawn from the commission's management before the minimum five year period then all property taxes on such land which would otherwise have been payable shall be due at the time the land is withdrawn. Now as you know we don't have a tax on unorganized borough right now but we might at some future time and I believe that this concept has been endorsed not only by the AFN but also at least by certain members of the congressional delegation. I think it is a good idea and it provides (indisc.) that consistent management plan spread not only the public land but the private land. Mr. Chairman that's all I have and I have this Amendment which I'll be glad to pass to the staff. Unfortunately it is not typed and it is sorta scratched out.

CHAIRMAN OSTERBACK.

Representative Malone.

MR. MALONE.

I just have one quick question, Mr. Chairman. Steve, you have been working on this stuff and all, what's your ideas in respect to the reality of adopting common management approach as an alternative, I won't say compromise, because it is not a compromise.

MR. COWPER.

Well, I think that the possibility is very real. I think what we have to do is take care of the fear that people have and I am speaking very frankly of the environmental community that the State will have effective control over the management of all federal lands in Alaska, or a substantial portion of it, without any (indisc.) I think if we come in and we establish a management system by which a joint commission manages not only federal but also state and native lands or private land, and we also provide a (indisc) by the land owners so that if the land owner doesn't like the decision being made it goes back to the drawing board and I think it should be acceptable, as Senator Gravel said, the main problem is not in the concept really but everybody says this isn't acceptable because they'll appoint somebody who is unacceptable to run it. They are afraid the system won't work just because they are not sure who is going to be administering the system. That's the problem everywhere. No system works if it isn't administered by good people. But I think there is a real chance of doing it. There is not any chance of doing it in the House. But I think it is a concept that has been advanced so many times at that level that when it comes back to them from the Senate they do not even look at it twice. That's my interpretation of what I have seen of it.

CHAIRMAN OSTERBACK.

Are there any other questions? (indisc.)

Why did you leave out the undeveloped (indisc.)

MR. COWPER.

Ah, Rick (ph) this is just to be consistent with AFN's position. I don't think that a real estate tax as such is all that way of getting into that sort of thing anyway. But, it it is consistent with AFN's position. I rather suspect that land which is developed in the sense of having a village on it or something like that isn't going to be turned over to the land (indisc) commission to manage. It is not precluded for instance personal property tax is the (indisc.) on pipeline property or production property on the slope. It would not preclude that and also it wouldn't preclude the severance taxes. I would think that the way you would get income being generated into land that is under the commission's jurisdiction would be through income taxes.

CHAIRMAN OSTERBACK.

Any other questions?

MR. COWPER.

Thank you, Mr. Chairman. I will have this proposed amendment

typed out and sent down to Committee (indisc.)

CHAIRMAN OSTERBACK.

Thank you. Mr.

Thank you, Mr. Chairman and Committee members. I would like to note that Commissioner Holdsworth(ph) is here also and he tells me he testified before you yesterday. This is the second time I have testified on House Bill 211. I testified last year. I didn't have much to offer except my personal opinions because the commission had not taken a (indisc.) position on the future land use planning commission. They finalized their position at a meeting in September of 1977 and that is contained in a Position paper which I will submit for the record for your concurrence as part of this testimony. I have some brief record testimony also which I would like to submit for the record and just highlight that, if that's alright. The need for a continuing commission as well said by Senator Gravel and Representative Cowper, I think that the main point that needs to be made what does a continuing commission offer for the state that the existing federal - state relationship does not offer. I think for me the important thing it offers is a thermo entry for the state through the commission into the federal planning process in the early stage. It also offers a form for mitigating and coordinating effects of single agency management. Whatever comes out of the d-2 legislation we are going to see a substantially stronger position for all federal land management and resource management agencies in Alaska. I think it's to the advantage of the people of Alaska that they have some form in which they don't have to be (indisc.) in which all the agencies are brought together and force to bounce from one position to another. It would be (indisc.) under its new organic act the thing that has extremely strong powers and if Alaskans are going to have any real say in future management of federal lands in the state I think that some form of commission structure is vitally important and therefore I strongly support the concepts expressed in HB 211. The points that Representative Cowper made on the native lands I strongly support also because as both the commission's inventory reveals and the state inventory, the native selected lands are prime lands for wildlife habitat and resource development (indisc.). They are also key strategic lands of transportation and are in effect the strategic lands of the state because of their relationship to the coast line and the rivers, primarily. So it is imperative that they be encouraged to cooperate to the maximum extent in the future system. (indisc.) has not taken a real position on state lands in this and the reason for that is that in dealing with the d-2 situation it did restrict itself to dealing with the federal lands and in dealing with the state land, of course was recently made a good many recommendations

to this committee and I think if you want a position from the commission on whether it feels all state lands should come under a future commission or a portion of the state lands we could certainly attempt to give you that but we have not had one as yet. In any case, to get to the specifics of HB 211 as our recommendations relate to it, the commission has recommended to continue the membership of 10 members with 2 co-chairmans rather than 7 members recommended in HB 211 and also recommends the continuation of the presidential appointment on the federal side and the governor's designation on the state side to continue to provide strong leadership with such a commission. The difference between the assembly chairman and the co-chairman is an important one. As a single chairman I think would be extremely powerful individual. He would probably be appointed by the President with the concurrence of the Governor and Legislature and the advice and consent of the U.S. Senate, and if he was able to get through all those steps then there is no doubt about it he would have a predominant role in the state. Whereas, if you have the two co-chairman, they tend between them to adjust a good many federal state conflicts before they get to the full commission or to the congress or to the legislature, so it depends between a single chairman and co-chairman how strong you would want the future commission to be in its relationship to both governments. The commission agrees with HB 211 in that the commission members do not be institutional or ex-officio. We found that having state commissioners sit on the commission is not in the best interest of the state commission or the commission because he has to represent the administrations point of view in his particular area and very strongly rather than reasonably independent point of view. And we also recommend the appointants not be representatives of special interests because the sub-committee that worked on this felt that special interest representation tended to institutionalize conflict rather than to contribute to problems solution. What the commission is supposed to do is to resolve problems before they become problems that require either legislative action or extreme action by the President or the Governor. They also felt that the commissioner should continue to be part time except for the co-chairman. The general feeling was that full time commissioners would tend to institutionalize its own perspective while part time commissioners were subject to other pressures and open to other viewpoints from the various sectors in which they operate when they are not being commission members. Also part time was felt to be more open to public input than full time. And, the present commission also felt that the commission should serve at the pleasure of the appointed official rather than (indisc.) this position differs from HB 211. The primary reason for this was that it was felt that the commission should relate strongly to whatever political views of either federal administration and state administration was. Of course, if you are appointed for a term then the commission once again has much more independence in itself so once again it depends on how strong you want that commission to be.

Regarding the duties of the commission our recommendations differ only in degree to those contained in HB 211. The major difference Commissioner Holdsworth(ph) went into with you yesterday. We see the commission's role on (indisc.) plans as classified. Whereas management would be continued by the land agencies for any of the federal and state side. That is an important distinction. You don't want to create another bureaucracy in this position to give the management powers well then you have to give him the man power to manage. The idea is to keep the commission very small in policy making and research groups, and certainly no larger than the federal commission. If it does expand why then it would inevitably tend to become another government agency and (indisc.) One of the things that we have felt to be a real power in the present commission in which future commissions should continue, the commission should be (indisc. cough) the Governor and the Legislature and to the President and the Congress, and being an advisory role only you certainly have (indisc.) committee programs (indisc.) if you have program responsibility. We think that needs to be continued and the only exception would be the classification of common management plans. Also in some spelled out roles in cooperative planning insuring both governments that Fish and Game managements would lean towards acceptable manner, the transportation planning would lean toward acceptable manner, research coordination and day assistance coordination are the four areas where we felt we really need a lot of mileage if you can coordinate them strongly and keep the agencies on either side from dealing in the territorial (indisc.) too heavily. The other area strongly stressed is the system of joint classification. As we have seen the future thus far the difference between the commission classifying common management land and the joint classification would be the commission would bring the two governments together to establish joint classification standards and (indisc. cough) the state and then BLM on one side or the other federal agency and the Division of Lands would use those classification standards and work them between the two of them with some commission over sight would arrive at joint classification for those particular areas. So in those areas rather than doing it yourself well the commission would encourage the cooperation existing to the maximum extent possible. In time we would approach what we would call total (indisc) HR 39. We would do it with cooperation between the two governments rather than proposed by HR 39 by standard refuge of park boundaries. (Indisc. cough) Because no matter how much those refuge or park boundaries they are going to protect those refuge and park boundaries you are not going to protect the entire critical areas that are entire watersheds. Eventually you have to get to this strong cooperating system anyway. One thing that is missing from HB 211 is the veto power on the state and federal side. We think it is important that you protect the sovereignty of both governments by incorporating that veto power. One thing that this present commission has that no other federal-state entity we studied has is the veto power of the state and that is very important to retain. It certainly made the present commission operate totally different from any other state organization that I have been associated with, and we did some research on some other organizations

and I will offer that for the record, Commission Memo dated March 15th, 1977, which has a rather comprehensive research on other federal-state entities. When we made our position we examined HB 211 of course, from last year, and we Secretary Andres (ph) amendments to HR39 (indisc. cough) operating management and we also had Senator Steven's Bill on cooperating management and so we considered all of those in reaching our decision. We then had the Seiberling which was contained in committee print 3 of HR39 before us but as I understand it that's changed little from committee print 2, so the comments which we enclosed in our letter to Congressman Seiberling on January 17th of this year would still be germane as to how we feel about that particular language and also that's for the record with this testimony. I am getting a big mound of paper here dealing with cooperative management and hopefully it will shed a little more light in particular areas. One other important area that we feel very strongly about is the executive coordination committees being established by both the state and federal government, to review the commission's work. This is especially important at the federal level because you can coordinate all you want to in Alaska and get all the agencies meeting in unison and take it back to Washington you will have to go in and deal with each department separately. It wasn't always that way, the old Federal Appeal Committee for Development Planning Alaska we did have an executive review agency which was chaired by the Secretary of Commerce but which also reported to the White House but we were able to get good use out of that executive review committee during the earthquake relief and during the early stages of the land claim settlement. I think we just erred in not re-establishing that to relate to the present commission. We should have made sure Congress put it in the legislation report and it's not as critical at the state level to have that kind of executive review since the commission works on a continuing basis review level committees where the commission is concerned to review the commissioner's work on a state level also.

We do feel also that you need a more direct relationship between the commission and the land and resource management agencies on both sides. The way we do that is simply forming them together into a technical advisory committee to the commission which would have to come together composed of the land and resource managers on both state and federal sides that would have to come together and either relate to commission for the propositions that were put before them or they could develop propositions which they wish to put before the commission. Right now we don't have that kind of institutionalized dialogue between management agencies and the commissions and we try to institute it constantly but it's not spelled out in the legislation so the agencies can either come together or not if they feel whether they can get away with it or not, and usually they are pretty good about coming together on the issues we've developed but having it in the language would give the commission much stronger coordinating powers and that briefly are the major concepts that we would like to see incorporated in HB 211. We would certainly be willing to either

draft suggested amendments or work with you in any way we can.

CHAIRMAN OSTERBACK.

Representative Malone.

Mr. Malone.

Thank you, Chairman. Well, I would like to start out by asking my basic question on this thing. In your understanding and knowledge of activities that take place in the Congress and also the attitudes that may exist in the different federal bureaucracies, how realistic is this approach if it could work if it were adopted?

MR.

Of course it has been a while since I came on the commission and I can't -- don't know what the relationship was with the previous federal chairman or the previous state chairman of the federal agency, but the commission was able to make some steps forward when the federal administration changed and the d-2 perceptions in the interior and the conveyance of native lands in several other areas. I was the only chairman at that time in the interim between Mr. Sokof (ph) leaving and Mrs. Warnecke (ph) appointment but even though I wasn't the federal chairman, even though I was a state chairman why the door was open and we were able to get initiatives launched last spring that probably would have been delayed until late summer or fall, the spring of '77 I am talking about now, which if it had to have gone through the conventional route through the agencies and the difference, of course, that I was saying that I was going in and saying to the secretary was on native conveyances you've got a problem. The natives are not getting their land fast enough, BLM isn't working fast enough and obviously BLM isn't going to go say that to him, or the Assistant Secretary for Lands and Waters. On the d-2 issue HR 39 had just come out and of course that was Secretary Andres (ph) (indisc) and was able to immediately put before him critical areas on Fish and Game Management and Wilderness and the other points of disagreement with HR 39 so he could start relating to those. It's unfortunate that in the House of Representatives the sub-committee who handled that took its original draft from the Alaska Coalition and represented only that perspective and since the commission didn't agree with the original HR 39 they really hand's used it to the extent that they could. In April they practically threw us out of the hearing and by July they said well, this is good stuff and they started to use it but on the Senate side we have always had an excellent relationship directly and you know, we don't go through administration, we go directly to Congress.

CHAIRMAN OSTERBACK.

Representative Malone.

Mr. MALONE.

Yes I have a number of questions, but I have a follow-up question on that one. Considering that the commission is basically is a (indisc.) of Congress in the first place how come the House at least in the early stages decided to bypass. (Indisc.)

MR.

The sequence of events is simply that the committee chairman and the sub-committee chairman knew that the commission's position wasn't the position they wanted so they (indisc. blank tape)

MR. MALONE.

How is it they work again at present, how is it they work?

On the Washington level there is no institutionalized coordination on Alaska matters. Right now they've got a group which was set up to coordinate gas lines for the gas pipe line. There is no d-2 coordinating group that brings all departments together to coordinate d-2 matters so the way d-2 is coordinated in the federal government is that in the last days of August and the last week of August and the first week of September the Interior sent out its information for comments and comments came back and they all put it together at a meeting and it was kind of a rushed process. If there had been a continuing executive review committee of the commission's actions why all these things that the commission had developed over the last five years would have been considered by these departments in Washington on a continuing basis, as it was every department just reacted to the Department of Interiors initiative. The only reason things went (indisc.) was that we took it upon ourselves in the spring of '76 to coordinate d-2 with all of the federal agencies concerned, transportation, energy, defense, and so forth, but it would be a lot easier to have them all in the same room rather than to have to go to each one individually but that's what we were up against.

MR. MALONE.

One final question. What would be possible in addition to us getting an advanced copies of proposed amendments of HB 211. Would it be possible for the commission to provide somebody to sit in on a mark up session of the bill?

CHAIRMAN OSTERBACK.

Yes, we could do that.

MR. MALONE.

Thank you.

CHAIRMAN OSTERBACK.

What we discussed, we had a meeting with Senator Mike Gravel and (indisc.) and he will send one of his staff members to work up a mark up session and we have a holiday coming up now. But the thing is you said you wanted to get something in from the legislators what we are all going to back and bring it in and he will take it up before the Senate or down there, correct me if I am wrong, and with the legislators behind he thinks it will carry a lot of weight instead of someone coming in with a different amendment all the time, come up with a package saying this is what the state is backing. Diann?

MS. NELSON.

One thing that we discussed is that we would assign Mr. George (indisc.) and Bill Berrier (ph) and Jack (indisc.) and would work with one member of the Steering Council staff and your office, Walt, and possibly come up with a committee substitute within a week or so. Something that we could bring before this committee as a mark-up copy and bring it back.

CHAIRMAN OSTERBACK.

Representative Malone.

MR. MALONE.

Mr. Chairman, I wonder if that schedule isn't a little optimistic. I don't object to the speed except (indisc. noisy tape)

MS. NELSON.

Can we schedule a meeting for next week in the evening?

(WHEREUPON due to bad noise on the tape I was only able to pick up selected portions of the discussions)

CHAIRMAN OSTERBACK.

What I was going to suggest is that we get everything together for a mark up (Indisc.)

