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To Advise On D2

Governor's Panel Arrives In Washington

Times Washington Bureau
WASHINGTON — As the Senate Energy Committee races to complete work on Alaska lands legislation, the governor's blue ribbon advisory committee on D2 is descending upon Washington.

Fourteen members of the blue ribbon panel were scheduled to arrive here today. Only George Rogers was unable to make the trip.

In a two-day blitz, the panel members will meet with Interior Secretary Cecil D. Andrus; Sen. Paul Thompson, D-Minn.; Senate Energy Committee chairman Henry M. Jackson, D-Wash.; and House Interior Committee Chairman Morris K. Udall, D-Ariz. The group will also confer with the Alaska delegation and with the state's lobbyists here, led by Special Counsel John Katz.

Lt. Gov. Terry Miller is here to coordinate the efforts.

"We want to give them a kind of a 'reality test,'" Miller said in an interview late Monday. "We want to let them know what John Katz thinks, what our lobbyists think, and what all the major D2 players think."

Asked if the panel is being asked to agree on a strategy for moving the D2 bill to the Senate floor and into a conference with the House, Miller said, "I don't want to pre-judge. We will see how the chemistry works. These are all pretty independent people."

An aide to Miller added, "They are all giving us their advice individually. Whether we will get collective advice I don't know. But we have set up as objective a schedule as we could; they will be talking to both sides. We will just play it by ear."

This is the first trip to Washington for the blue-ribbon panel, appointed

by the governor earlier this year. A trip had been scheduled tentatively last summer but was delayed after the Senate Energy Committee did not progress as rapidly as expected with the bill.

Some members of the panel are already in evidence, including former Gov. and former Interior Secretary Walter Hickel.

Those scheduled to arrive today: Robert Atwood, editor and publisher of The Anchorage Times; William Egan, former Alaska governor; Tom Fink, Anchorage insurance man and former House speaker; Harold Gilliam, former mayor of Fairbanks; CM Grah, Anchorage lawyer and former legislator; Joe Josephson, Anchorage lawyer and former legis-

lator; Tom Kelly, former natural resources commissioner; Byron Mallett, president of the Alaska Federation of Natives; Ed Marden, former gubernatorial candidate; Louis Overstreet, president of the Black Caucus; former state Rep. Lisa Rudd of Anchorage; Robert Wooden, and Lew Williams, publisher of the Ketchikan Daily News.

State's youngest lobbyist takes d-2 story to Iowa

By SUZAN NIGHTINGALE
Daily News reporter

If Hubert Llewellyn's teacher asks him how he spent his summer vacation, she probably won't believe the answer.

The 16-year-old West High School junior spent his vacation single-handedly lobbying the town of Washington, Iowa about the Alaska lands issue.

At the end of three weeks, he'd talked the mayor into writing Iowa's congressional delegation, convinced the Washington Chamber of Commerce that Alaska was being had, discussed the situation on a radio talk show for three hours, and told his story to the local newspaper.

After that, he moved on to Des



Hubert Llewellyn

Maines where he gave Iowa's lieutenant governor copies of all the d-2 literature he had.

It all started out as a simple visit to his grandparents, Hubert says. Not one to idle away his vacation, he took along copies of "Carving up Alaska," published by the Fairbanks Daily News-Miner, and carried maps of the national monument withdrawals. Once he landed in his grandparents' hometown of Washington, he went to work.

"They had never heard of what was happening up here," he recalls. "They understand what Alaskans' problem is now, though. They have had no news of it whatever and had never heard anything about it at all. I feel it was my job as a young person, as a citizen of

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Lobbyist

Continued

the State of Alaska, to lobby in the state of Iowa."

When he returned to Alaska, the son of William and Sharon Llewellyn reported back to ACCORD (Alaska Consensus Correspondents on Resolving d-2), and consequently became their youth coordinator. Now he's trying to use that post to interest other young people in the Alaska lands issue.

"I'm hoping to get the youth to know a little bit about Alaska," says the one-and-a-half-year resident. "I'm trying to set up a seminar for youth."

Llewellyn says he believes involvement in current affairs is "my duty as a young person," and although he's fairly new to Alaska,

he's wasted no time in getting involved. When his family first arrived, the gubernatorial contest was just heating up, so Llewellyn took advantage of that to familiarize himself with the issues.

"I volunteered on the Merdes campaign, and for Hickel, Hammond and Fink," he says, explaining, "I wanted to get to know all the candidates."

And now that he's found himself smack-dab in the middle of activity, what are Llewellyn's plans for the future?

"It is my ambition," he says without hesitation, "to one day become governor or president of the United States."

Legislatures hit Udall lands bill ANZ News 7/31/79

The National Council of State Legislatures has gone on record in opposition to the Alaska lands bill passed by the U.S. House.

Led by western and midwestern delegates, the conclave of state lawmakers meeting in San Francisco approved a resolution charging the bill "would establish dangerous precedents for federal encroachment upon historical lands of the state of Alaska."

The state legislators said these steps should be taken before any Alaska lands legislation is approved:

- Inventory of the mineral potential of the land that may be included;
- Access for transportation, recreation and utilities should be guaranteed;

- Environmental and economic impact studies should be made of each wilderness proposal;

- Commercial forest land in Southeast and Interior Alaska should be considered for multiple-use designations as national forests;

- Land with agricultural potential should be identified and included in management systems that would allow for agricultural use;

- State management of fish and game on the federal lands should be guaranteed;

- Cooperative federal and state panels should be set up to make recommendations on policy, planning and management for state and federal land in Alaska.

About 2,000 state lawmakers, of the 7,700 legislators in the nation, attended the week-long meeting in San Francisco last week. Nine Alaska legislators attended — Reps. Randy Phillips, R-Eagle River; Thelma Buchholdt, D-Anchorage; Charles Parr, D-Fairbanks; Mike Miller, D-Juneau, and Jack Fuller, D-Nome, and Sens. Mike Colletta, R-Anchorage; Tim Kelly, R-Anchorage; Robert Ziegler, D-Ketchikan, and Pete Meland, D-Sitka.

"The guys from the West backed us to the hilt," Phillips said of the vote for the resolution. He said there was objection from many of the eastern states' representatives.

Sportmen Want D2 Language Change

By BILL LEBERINGTON
Times Staff Writer

The state's largest organization of sportmen has called for a "Memorial Day" to begin Aug. 18. And members of the Alaska Outdoor Association have taken a hard line toward inclusion of subsistence preference language in proposed D2 legislation.

The subsistence preference guarantee was denounced as "the ultimate lockup of Alaska" by Tom Fink, former legislator and gubernatorial candidate.

Fink said, "Subsistence is to be the all pervasive priority use of all federal lands in Alaska. This state will be in a constant land freeze as a result."

Fink's comments came at a meeting here Tuesday night of the Alaska Outdoor Association.

"It isn't good for the people who appear to be the recipients of it (preferential subsistence hunting and fishing rights)," said Fink. "They are being duped because once they have the preferential right of subsistence, they'll find the federal government will find reasons why its not in the best interest for them to hunt and fish in the areas where they desire to."

Access to and use of federal and some state lands will come under federal regulation is the subsistence language is left in its present form, Fink said.

"If the Nana Region wants to mine up in the northwest portion of the state and wants to build a road or a pipeline back to railbelt, they'll find someone says that pipeline or that road will interfere with their subsistence."

"And it isn't just a question of someone who will be denied the right of sustenance, it's a question of somebody motivating someone who is called a subsistence hunter. We have the Trustees of Alaska and Alaska Legal Services who are like the people pushing the D2 legislation. They really want to lock up the whole state. They don't want it used for anything."

"Under those circumstances you can always find someone who will have the color of a subsistence hunter or fisherman who will agree to put his name on a complaint."

If such a complaint is made, under proposed legislation, the ultimate authority to approve or disapprove a proposed project would rest with either the federal courts or the secretary of the interior. If the proposal was found to interfere with a subsistence use, it would be prohibited.

Ken Fanning, executive director for the Real Alaska Coalition, said he expects 1,000 Alaskans to participate in the Memorial Day protest.

"And every one of them," he said, "will send a telegram to the Park Service director telling him just where they're going to be and what they're going to be doing."

Fanning said he expected the park rangers to ignore the violations as they ignored similar protests at Cantwell and in other monuments.

"After all," he said, "it only took 60 people holding up elder ducks in Barrow to back them down, so what do you think they're going to do when they get 1,000 of us out sheep hunting?"

"Subsistence is a complex issue," he said, "but every single issue of

sportmen by Montana Democrat John Melcher.

Fanning also blasted the state's congressional delegation and governor for refusing to take an acceptable position on subsistence and he blamed their lack of a unified stand on D2 as the cause of the state's problems in Congress.

It was revealed that the Outdoors Association will launch a media campaign this month to press state legislators, the governor and congressional delegation to change their position on the question of subsistence.

Ron Sommerville, director of the game division of the Alaska Department of Fish and Game, characterized the subsistence issue as a "front

to cover the divide and the uneasy alliance between the natives and the preservationists."

"The natives," he said, "have been misled."

Sommerville stressed that federal oversight of fish and game management will be disastrous for state wildlife populations.

"Cooperative management sounds all right," he said, "but I would like to see just one example of where it has worked."

He also faulted the proposed regionalization of fish and game management.

"How in the world could you manage the Yukon River chum salmon," he asked, "when it would cross three

different regional management zones?"

Sommerville said Alaska's fish and game management regulations have consistently favored subsistence users.

"We can't meet the needs of all 400,000 Alaskans," he said, "but at least we're accessible."

Al Royer of Sana, representing Alaskans Unite, called upon the governor to seek a temporary injunction immediately against the National Park Service to halt enforcement of monument regulations.

"We don't like the words 'subsistence hunter,'" said Royer. "It's nothing but federal rhetoric designed to split up Alaskans."

Alaska Wins Right To Government For Land Use

By ELLIS E. CONKLIN
Times Staff Writer

U.S. District Judge James von der Heydt has broken the legal ice and ruled that Alaska may at last move forward in its suit against the federal government over the controversial land issue.

"I'm absolutely delighted," Attorney General Avrum Gross said Tuesday afternoon from Washington, D.C. "It's been a long, hard fight to get this. And now we're going to finally get the chance to get into the guts of this (Antiquities) Act."

In the decision handed down Tuesday afternoon, von der Heydt said "because of the uncertainty of the prospects for congressional action, the court finds that a continuation of a stay of all proceedings cannot be justified."

At Monday's hearing here, Gross argued that the people of Alaska have grown tired and frustrated with the legal delays. "I'm only asking for an opportunity to give the people of this state a forum so their arguments can be heard," the attorney general told von der Heydt.

Gross is in Washington to discuss the Beaufort Sea oil lease sale with federal officials.

Von der Heydt judge first granted a stay in March, saying a congressional resolution on the

Alaska land issue would make any subsequent trial costly and time-consuming.

And another stay was issued on June 27 and expired Monday.

As a result of yesterday's ruling, Alaska has been given permission to serve the first wave of interrogatories on the federal defendants, who include President Carter and Interior Secretary Cecil Andrus.

Von der Heydt will permit state attorneys 60 days to prepare 75 interrogatories.

Gross said the formal questions will pave the way for Alaska to "locate the people who made the decisions (regarding the Antiquities Act), find out why there were made and see if we can't get to bottom of this once and for all."

U.S. Attorney Alex Bryner, who repeatedly maintained that a congressional resolution of the Alaska land issue is the most prudent course of action, said federal authorities normally reply to states' interrogatories within 30 days.

Von der Heydt, however, also ruled that Alaska cannot take any other legal steps past filing the interrogatories. "All other proceedings," he wrote, "are stayed until 10 days after adjournment of the first session of the 96th Congress."

"Hallelujah," was the initial reac-

tion of local attorney Ron Birch. "We now have a legitimate forum to determine whether the rights of Alaskans have been violated. This decision allows us to begin discovery of the matter with the ultimate hope that we can win our case," said Birch.

The law firm of Birch, Horton, Bittner and Monroe was retained by the state shortly after the attorney general's office filed the suit against the federal government early this year.

The suit was prompted by President Carter's decision in December 1978 to withdraw an additional 56 million acres of Alaska land under the Antiquities Act.

Although Bryner said he would have preferred a full stay, the federal attorney said it was a "fully reasonable" decision. "I think the court recognizes that the litigants in this case do have important rights."

Some have speculated that von der Heydt may have delayed his decision until he had a chance to study an affidavit prepared by Sen. Mike Gravel, D-Alaska.

The affidavit, said Gross, informed the judge that there was no possibility of congressional action this session on the D2 issue because the Senate is more likely to continue its work on such issues as energy, windfall profit taxes and the Salt II treaty.

Meanwhile, Gross said once he returns to Alaska next week, he will immediately begin preparing the list of interrogatories. "This process gives us the opportunity to do a lot. And I intend to take full advantage as soon as I get back," the attorney general said.

Gravel, Stevens Share Common Ground — Disagreements

By LAURIE HOLLMAN
And MYRON STRUCK

Times Washington Bureau

WASHINGTON — If there is one thing Sen. Mike Gravel and Sen. Ted Stevens share, it's differences.

In their handling of congressional activity, in their voting habits and in their support for President Carter, the characteristics that best describe the conduct of the state's two senators is their interest in local issues and their different voting patterns.

Gravel barely flinched after President Carter's comments late last week assailing congressmen who have voted against the administration's positions. Carter told a group of House members at the White House that if they did not support his programs, he would not support their bids for re-election.

One anonymous congressman reported that the president said: "I'll be damned if I'll send my wife into your district for a fund-raiser. Some of you people who complain, vote with us only 15 percent of the time. There are Republicans who are with me at least 35 percent of the time."

Gravel, who has publicly been only lukewarm to Carter, has already indicated he will not support the incumbent for re-election in 1980. Through the first half of 1979, Gravel voted with the president 39 percent of the time, on 71 issues that the administration took a clear position. He opposed the president 17 percent of the time and was absent for the remaining votes.

Stevens, who was re-elected in 1976 to a third six-year term, supported the president 37 percent of the time, opposed him 51 percent of the time and was absent the remaining 12 percent.

The reprisals likely to come from the White House, in the aftermath of the huge national monument land grab of 1978, could not be any more severe in the future, congressional insiders theorize, so to some extent the members are not concerned about executive pressures.

Neither Gravel nor Stevens disagreed with the president as much as they disagreed with each other throughout the first half of 1979. On 23 key issues studied, they voted differently 68.4 percent of the time.

For instance, Stevens voted for and Gravel voted against an amendment to the Endangered Species Act that would have exempted the Tellico Dam and Reservoir Project in Tennessee from provisions of the act. Both members voted with a majority of their respective parties. And the Democrats, with a 59-41 advantage of members in the Senate, prevailed — defeating the measure.

On a second ballot on the issue this year, an amendment was offered to limit the protection of endangered species under the act to those the interior secretary determined had an economic or aesthetic value to man. The move failed by a resounding 14 to 80 vote, but Stevens supported it — one of 10 Republican senators to vote that way. Gravel opposed the move, one of 51 Democrats voting that way.

Here's a look at the senators on other issues:

— Budget targets. On an amendment by Sen. Harry F. Byrd, Ind.-Va., to reduce the federal budget authority by \$1.1 billion and outlays by \$400 million in 1980, Stevens voted no. Sen. Gravel didn't vote. The move would have eliminated Comprehensive Employment Training Act (Ceta) public service job pro-

grams.

On a second budget vote taken in April, Stevens voted to cut foreign aid, public service jobs, health programs, welfare and food stamp programs, federal travel spending and categorical grants to state \$10 billion below the Budget Committee recommendations in 1980. Gravel didn't vote.

— Housing and community development. On an amendment by Sen. William Proxmire, D-Wis., aimed at reducing funding for assisted housing programs by \$145 million to \$1.14 billion in fiscal 1980, Stevens supported President Carter and a majority of the Republicans voting in the Senate, while Gravel opposed the president and sided with a majority of the Democrats voting. The issue was approved 51-49. On a second key development assistance amendment this year, Sen. Patrick Leahy, D-Vt., proposed a plan to add \$10 million to the Treasury to aid localities in hiring federal grant application experts. Stevens opposed the move; Gravel supported it. It prevailed 49-41.

— Foreign affairs. Supporting the president's position, and voting to pass Panama Canal treaty implementation legislation, Gravel joined with a majority of the Democratic ranks in a key vote in late July. Stevens helped to split the Republican ranks — divided 17 for, 21 against — with his no vote on the implementation bill. It passed 64-30, and has since suffered a blow in the House sending it back to a conference committee for further fine-tuning.

A second major foreign policy vote came early in the Congress on Taiwan. On a move by Sen. Frank Church, D-Idaho, to table (kill) an amendment aimed at making the ef-

fective date in the bill contingent on the president obtaining written assurances from the People's Republic of China that it would not attack Taiwan, Gravel voted with a majority approving the resolution, while Stevens opposed the plan.

Often the voting patterns are clearly local.

For example, on the legislation reauthorizing the Wage-Price Council, Sen. John Heinz, R-Pa., offered an amendment earmarking part of the agency's expenditures for study of the inflationary impact of federal programs. Both senators from Alaska supported the move, although it wasn't enough to pull the bill from the jaws of defeat. The move failed 38-41.

The study reflects a number of those issues which directly affect Alaskans and those which indicate the persuasions of the senators. The votes — chosen from the 247 taken during the first half of 1979 — showed Gravel voted against the majority of Democrats 28 percent of the time and Stevens opposed a majority of the Republicans 30 percent of the time.

Their philosophic outlooks don't seem to account for the differences. A recent study by the American Conservative Union rated Senate delegations on the members' relative conservatism. While Gravel received a 17 percent, indicating a liberal leaning, Stevens posted only a moderate 68 percent rating.

The open feuding between the two men is slowly becoming legend in the Senate, although Stevens' public posture is to ignore his colleague. The subtleties are still there.

In recent weeks it has been Gravel who has openly fued with Stevens, more than the other way

around. During the course of the Antiquities Act hearings, Gravel charged that Stevens engaged in a conspiracy with other committee members and the administration witnesses to prohibit a full airing of the wrongs of the Antiquities Act.

On another water-development issue, Stevens challenged Gravel's subcommittee handling of a piece of legislation, and then had to listen to Gravel charge that the Republican's comments were "off-base." Two observers alleged that Stevens was angry on the floor and spoke harshly to a staff assistant handling the issue for the bad information he had been given. Stevens' aide has denied that the senator was angry or that the senator was "off-base."

The Gravel-Stevens fight has publicly extended beyond roll call votes and legislative machinations or vitriolic debates on the Senate floor.

Last fall, Gravel reportedly launched an extensive media blitz against Stevens, who was running for re-election at that time. A day after Stevens defeated Democrat Don Hobbs by a wide margin, the Republican Party lodged a complaint against Gravel with the Federal Elections Commission charging Gravel's \$20,000 radio, television and newspaper campaign criticizing Stevens was, in fact, an endorsement of Hobbs and subject to spending limits. Hobbs' name was never mentioned in the advertisements. The complaint classified the commercials as campaign contributions to Hobbs.

Under federal elections law, an individual or campaign committee may donate up to \$1,000 to a particular candidate for election, but Friends of Mike Gravel had already donated that sum to Hobbs and —

should the commission rule the ads were subject to the same — would have been illegal. It is pending.

During a recent interview, Gravel said the interest of the had to predominate the lives of the two men. "It is a pity, in my mind, that we have involved in such jobs," he said.

Stevens' office has repeatedly refused to comment about any attacks or challenges.

Stevens argues against delaying d-2 bill

ON MATTHEWS

News reporter

The only way Alaskans can get a bill they "can actually pass" is for the legislation to be sent to the Senate and reach conference committee this year before election politics sweep through the state, Alaska Sen. Ted Stevens

Stevens, criticizing Sen. Gravel's stand on the land bill, said there "are no odds at all" that a bill can reach that goal. Gravel changes his previous "attitudes on the measure," Stevens said. "It would be to our best advantage we could get it (through the Senate and) up to the (joint House-Senate) conference committee," Stevens said.

He (Gravel) persists and every effort then undoubtedly a bill won't come up," Stevens said.

"This becomes a political bill trying to have so few votes that we can't be able to count them,"



Sen. Ted Stevens

Stevens said in Anchorage Wednesday.

Stevens said election-year politics will hit Congress next session, and that "I'm confident that this bill is going to come up some-

time when Jimmy Carter is president," Stevens said.

"Don't forget this is a two-year Congress," he said.

"The only way we can really get a bill we can actually win on would be to get a bill into conference committee this year before the politics start," he said.

In 1980, Stevens said, the Senate could take a "last-minute" approach to the land issue, and "if the Udall bill passes the Senate, it goes directly to the president and we've lost absolutely."

The Udall bill — fought by Alaska's government and backed by environmentalists — passed the U.S. House by a wide margin earlier this summer. If the Senate passes a different d-2 bill, the issue would be thrown into the joint conference committee to iron out differences.

Gravel said Tuesday that while he's prepared to work with his colleagues when they take up Alaska land legislation, he doesn't think

it will happen this session. He said a delay won't hurt the state's d-2 strategy.

Stevens was in Anchorage Wednesday with five other U.S. Senators and 10 House members involved with the U.S.-Canada interparliamentary conference. The conference is a group of congressmen and Canadian parliament members who discuss issues of concern to both nations. The group met earlier in western Canada, and is touring Alaska this week.

Meanwhile, Stevens has cosponsored a new bill which would transfer ownership of 344 million acres of unappropriated federal land in 13 western states to state control.

The bill, introduced by Orrin Hatch, R-Utah, would require that all unappropriated federal land be turned over to the western states from the Bureau of Land Management and the Forest Service.

Stevens termed the measure "a long-range philosophical bill," adding that he wouldn't expect

such major changes to happen quickly.

Stevens said the Hatch bill could be termed a carry-over from Nevada's "sagebrush rebellion" against federal land ownership in that state.

"I joined in because I believe only if the East awakens to the fact that there really is an East-West syndrome over land that we will see any real consideration of our pleas for our changes and proposals," Stevens said.

Stevens said the U.S. and Canadian

officials met in Calgary, Alberta, before coming to Alaska. The members also went to White Horse, Y.T., and to Skagway to look at that area's hydroelectric potential.

Although such issues as salmon interception were discussed, Stevens said the main topic of the group had been the Alaska natural gas pipeline.

The group received an hour briefing from Northwest Alaskan Pipeline Chairman John G. McMullan.

What Others Say *Times* 10/2

From The Ketchikan Daily News

EARLIER THIS YEAR, state game director Ron Somerville was criticized by some for saying that some Alaska native leaders and the environmentalists were in an "unholy alliance" to support a version of Alaska land legislation that would give the federal government final authority over Alaska fish and game resources.

Jim Rearden, a member of the Alaska Board of Game, went further and pinpointed Ruralcap leaders as the ones who were alleging to represent native interests on Alaska land, although they fail to reflect the view of the natives that the board found in

the village. Marc Jensen, a game guide and member of the licensing board for guides, agreed with Somerville and Rearden.

Now we find Ruralcap coming out in the open with a letter to the governor asking for free rides to Washington so they can continue their campaign of misinformation for the environmental cause.

The real facts are as Somerville, Rearden and Jensen stated them: Ruralcap leaders are aligned with the environmental movement and more concerned about locking up Alaska than serving the Alaskans they allege to represent.

Program Questions State Campaign

By The Associated Press

The Rural Alaska Community Action Program has questioned the state's operation of its information program on Alaska lands legislation.

In a letter to Gov. Jay Hammond, Ruracap said its understanding was that the program was designed to obtain widespread approval of the seven consensus points.

However, Ruracap said the program is designed to report only the views of Cral (Committee for Management of Alaska Lands) and the Alaska Outdoor Recreation Council.

"What is even more disturbing is the apparent effort by those responsible for implementing the program to pointedly ignore efforts by Alaska citizens who wish to articulate points of view that may be at variance with your interpretation of the seven consensus points."

The letter was signed by Executive Director Phil Smith, Director Norman Cohen of Ruracap's Department of Subsistence and Natural Resources; and President Gordon Jackson of Ruracap's Board of directors.

The three Ruracap officials also told Hammond that:

— His office had apparently ignored a request that \$25,000 from the \$2 million fund be provided as travel funds to village Alaskans who wanted to go to Washington, D.C., to express their concerns about subsistence provisions in pending Alaska lands legislation.

"Our only conclusion is that your administration is attempting to systematically stifle public debate on this important issue," they wrote.

— State advertisements on the Alaska lands issue are "designed to obtain a purely emotional response from those individuals who are misinformed by their contents and are generally a rhetorical exercise in poor taste."

— The Alaska lands information office was evasive and unresponsive to Ruracap questions about expenditures from the \$2 million information fund.

— Lt. Gov. Terry Miller had resorted to "jingoism and sectionalism" in speaking before groups in the Lower 48 on the Alaska lands issue.

****PLEASE NOTE****

THE ORIGINAL FILE CONTAINS AN OVERSIZED DOCUMENT THAT IS UNSUITABLE FOR FILMING. PLEASE REFER TO THE ALASKA STATE ARCHIVES TO VIEW THE ORIGINAL.

Descriptions: Newspaper articles

Anchorage Daily News, Tues. Oct. 2, 1979
"Personalities clash in heat of d-2 fight"

Anchorage Daily News, Weds. Oct. 3, 1979
"A plane crash and an election fuel the feud"

Anchorage Daily News, Mon. Oct. 1, 1979
"Early election fights opened Gravel, Stevens rift"

Anchorage Daily News, Tues. Oct 2, 1979
"Parks chief no stranger to trouble"

Mike Colletta

For your
information

John W. Katz
9-27-79

10. [

Lt. Governor Terry Miller

DATE: August 31, 1979

FILE NO.

TELEPHONE NO. 278-2502

FROM: John W. Katz *[Signature]*
Special Counsel

SUBJECT: August activity report

The following is a brief summary of my activities* for the month of August:

1. Worked with Alaska's Senators and our lobby team in the development of early phases of Senate strategy. Coordinated and participated in an effort by our lobbyists to contact all 100 Senators prior to the August recess. The basic objective of this effort was to obtain support for Alaska's consensus points, where possible, to request forbearance from support of the Udall-Anderson bill or its Senate counterpart until the legislative situation becomes clear. The results of these early contacts have been discussed with you previously. Coordinated effort by a State geologist and a transportation planner to contact Senate offices interested in oil and transportation thereof.
2. Assessed S.9 in terms of Alaska's consensus position. Worked with various State agencies and others in the drafting of amendments designed to achieve the consensus points. Worked closely with Senators Stevens and Gravel in the preparation of these amendments and the development of strategy for obtaining subsequent adoption by the Senate Energy Committee. Met frequently with the staff of the Senate Energy Committee to discuss the amendments and to make refinements where appropriate. At the request of the Committee staff, discussed certain amendments with the Department of the Interior or other Federal agencies. Under separate cover, I am sending you a memorandum which describes in greater detail the amendments and the status of our work with the Senate Energy Committee.

*With respect to the substantive matters discussed below, I have received excellent help from a number of State agencies, particularly from Commissioner Ronald O. Skoog and Dick Bishop of the Department of Fish and Game, Tom Meacham and Shelly Higgins of the Attorney General's Office, Chip Dennerlein and Jerry Kreitner of the Department of Natural Resources, and Dennis Dooley of the Department of Transportation.

3. Met with representatives of various Native corporations to discuss and refine non-subsistence amendments proposed by such corporations. Met with representatives of the AFN and sportsmen's groups to determine whether expanded agreement on the subsistence title can be achieved. Met frequently with representatives of CMAL and with mining, conservation, and other interests to obtain input on substance and strategy of Alaska lands effort.
4. Prepared a list of "target states" for use in our media campaign. Provided advice on substance, strategy, and organization to Bob Clarke and others involved in the State's media effort. Reviewed articles and other information slated for dissemination in Alaska and other states.
5. Briefed Alaska media and members of the State Legislature's Alaska lands oversight group on the State's (d)(2) program.
6. With Tom Meacham and Chip Dennerlein, prepared an analysis of facts and myths relating to the Alaska lands legislation. This document will be transmitted to members of the Senate and to media outlets in Alaska and other states in order to refute inaccurate statements and misconceptions put forward by certain supporters of the Udall-Anderson bill.
7. Reviewed and edited a critique of the Udall-Anderson bill. Reviewed and assisted in the preparation of issue papers and other material for distribution to the Senate in September and early October.
8. Drafted an affidavit for use in the State's Alaska lands litigation. Discussed substance and strategy of the current litigation with lawyers for the State. Prepared a memorandum and discussed with the Attorney General's Office the possibility of bringing judicial actions relating to certain other aspects of the Alaska lands situation.
9. Reviewed monument regulations proposed by the National Park Service and the U.S. Fish and Wildlife Service. Drafted testimony for the Governor based on this review. Worked with representatives of various State agencies, particularly Tom Meacham of the Attorney General's Office, in a detailed line-by-line critique of the proposed regulations. Met with representatives of the Department of the Interior to convey the State's principal concerns.
10. Worked with the Attorney General's Office to complete research relating to legislation sponsored by Senators Gravel and Stevens to revamp the 1906 Antiquities Act and the Federal Land Policy and Management Act. Began drafting testimony for presentation by Governor Hammond before the Senate Energy Committee in mid-September.

11. Through meetings and other contacts, followed up on the Governor's correspondence to Secretary Andrus opposing the creation of wildlife refuges and special management areas by unilateral Federal action.
12. In conjunction with the Attorney General, petitioned the Secretary of the Interior to grant a waiver to allow the continuation of guided hunts within new national monuments administered by the Park Service. This effort was unsuccessful.
13. Prepared budget designed to insure availability of adequate funds for lobbying and related efforts. Monitored expenditures by State's lobbyists and State employees assigned to the (d) (2) effort.

Fiscal Information

Per your request, I am submitting on the accompanying sheet fiscal information relating to the two accounts for which I have direct responsibility. It should be noted that while the format and analysis used to portray the budget data are ours, the raw information upon which we have necessarily relied is provided by the financial office in Juneau. At present or even increased expenditure rates, I anticipate no problem in maintaining enough monies to fund our lobby and related efforts at satisfactory levels until the Legislature has an opportunity to consider a new budget request next year.

Evaluation of Contractors

The only outside contractors under my direct supervision are the Washington, D.C., based lawyers and lobbyists whom I hired in February and March. As you can appreciate, it is extremely difficult to evaluate their efforts, because there are few objective criteria against which to test performance. (In my opinion, the House vote was a product of factors essentially beyond the control of any lobby effort.) Accordingly, it seems sufficient to say that we hired the best mix of lawyers and lobbyists who were known to us, the Alaska Congressional Delegation, or other knowledgeable observers of the Washington, D.C. scene. In my opinion, these contractors have lived up to their reputations and our expectations. In short, I believe that their advice has been excellent, and they have done everything in their power to achieve our ultimate success.

Future Activities

It seems likely that the Senate Energy Committee will report an Alaska lands bill some time in September or early October, but that the full Senate will not act this year. Accordingly, we will

continue the efforts described above to improve S.9, which will be the Committee's markup vehicle. This effort will include a continuation of the drafting, advocacy, lobbying, and other activities which I have described. Simultaneously, we will continue to contact and provide information to Senators who may be called upon to cast a floor vote some time next year. To help coordinate the State's effort, I will return to Washington, D.C., in early September and expect to be there at least until the Senate Energy Committee completes its markup of the pending legislation.

Since it is unlikely that the full Senate will act this year, the State's media effort will assume even greater importance as the State seeks to create a political base upon which the lobby effort can build. Accordingly, I will continue to work closely with the State's media people by providing advice on content, strategy, and organization. The latter element has taken on added significance, for the State has developed a multi-faceted program which must be inter-related internally and synchronized with the situation which exists in any particular target state.

Finally, I expect to continue the efforts begun in August on the Antiquities Act legislation sponsored by Senators Gravel and Stevens and on the regulations relating to future administration of the monuments which now exist in Alaska. Regarding the former matter, the Governor is scheduled to testify before a subcommittee of the Senate Energy Committee on September 13. With the help of our lobby team, we will supplement the Governor's presentation by continuing our efforts to obtain co-sponsors and floor support. Regarding the regulations, we will soon submit detailed comments to the Department of the Interior. This submission will be followed by meetings at the national director and assistant secretary levels. I expect that several of the other activities described above will also be continued in September.

When the full Senate Energy Committee has reported a bill, I think that it would be useful for us to convene meetings of the Governor's Blue Ribbon Panel and the Legislative Oversight Committee so that we can obtain their views regarding subsequent Senate strategy.

I hope that the information contained herein proves useful. If you have any questions or comments regarding the activities which I have described, please let me know.

JWK/dw

Attachment



REPRESENTATIVE SALLY SMITH • 321 CHURCH STREET • FAIRBANKS, ALASKA 99701 • IN JUNEAU: POUCH V • JUNEAU, ALASKA 99811

MEMORANDUM

November 6, 1979

To: D-2 "Advisory Panel"

Fm: Rep. Sally Smith *Sally*

At the request of John Katz, I travelled to Washington D. C. on October 31 - November 1 to meet with the Lt. Governor and the Blue Ribbon Commission.

As you all may know, S.9 was passed out of the Senate Energy Committee on the evening of October 29. Copies of amendments were not available to us during our stay.

This memo will give you my impressions of the thoughts and feelings expressed by key congressional members as well as members of the commission.

The first meeting was with John Katz and the hired lobbyists (attached is a list of people attending.) It was the general consensus of the hired guns that our efforts had reached their peak in the form of S.9. Although the "no more" point out our seven consensus points was not fully met, it was felt that enactment of S.9 would effectively cover that base. General advice for strategy was to take the bill and run. With one exception, lobbyists felt S.9 was the best we could and ever would get, and that any waiting or delay in acting would see an erosion of the ground gained. The exception was Chuck Fishman, Senator Gravel's lobby choice.

After this briefing from John Katz and the lobbyists, the Commission members sat through a series of meetings with key players. The object was to listen to as many key viewpoints as possible. As Lt. Governor Miller put it, it was "reality-testing." Members, it was hoped, would arrive at some conclusion and then recommend a policy and/or direction.

Cecil Andrus, Secretary of the Interior - He felt S.9 was the best we could get and indicated he was not happy with concessions granted the state. Although he would not say how he would advise the President were S.9 the final bill, he did say that without a bill by the end of the session he would change BLM Sec. 204C withdrawals (about 59 million acres) to 204E. The change means 3-year tie-ups go to 20-year tie-ups. His overriding message was put very plainly - it is better to get a bill than leave the matter in his hands. He so stated - brutally. Also he and aide Cynthia Wilson emphasized how "flexible" they had been and stated that the state didn't know how to execute the name of the game - compromise.

Sen. Paul Tsongas (Mass.) - A player when he was in the House, Tsongas did not express joy at spending these years on an "Alaskan" issue. He exhibited a sense

of fair play saying that they didn't want to give the state legislation it could not live with. Still he made clear his sympathies with the environmental camp and stated repeatedly that he felt good faith efforts at a bill last year had been "screwed." Animosity toward Sen. Gravel was at the surface. He warned that no bill this year would bring more harsh treatment to Alaska next year.

Sen. Paul Laxalt - Obviously not totally knowledgeable on D-2, but very strongly oriented to a Western States Coalition. He, too, felt this to be the time to get a bill.

Rep. Mo Udall - The Congressman was rather straightforward in saying that he felt our peak was one year ago. He bluntly stated that he asked for more than he wanted in HB39 so there would be room for compromise, but he does expect S.9 to be compromised as well. His story was the same - go for a bill this year. It will be harder next year.

Sen. Ted Stevens - At a dinner the Senator gave for us in the Capitol, he stated that the time is now. Any delay and we will lose more ground. He indicated some of S.9 would have to be compromised, but that the resultant bill will be better than no bill.

Sen. Gravel hosted breakfast and said he was reluctant to pursue S.9. He felt the risks were too great of HR39 being substituted either in whole or in part. Still, he agreed to get with Stevens and Young and try to work with a unified front for a time agreement that would include the condition of no floor amendments.

At lunch Congressman Young pressed for conclusion of the issue. He felt that if the Senators could get commitments for S.9 in conference, he could hold part of the House conferees.

With input from the above people, the Commission met to weigh what they had heard. It seemed clear to many that the politics and the realities were more complicated than at first blush. They had to consider Gravel's role as a majority member in an election year with 24 Democrats up. Also Steven's role as whip. The make-up of the possible conference committee, the possibilities of amendment and/or substitution on the Senate floor. If brought up before the end of this year, time agreements and floor strategy can be agreed to prior to floor action. This won't be the case next year. This year a bill can be killed, but there's no guarantee for next year -- and the overriding threats of other Congressional leaders and the executive branch if there is no legislation this year.

Since I was not a member of the Commission I did not attend their concluding meeting, but learned that 12 of 14 present favored S.9 as the vehicle. Opinions varied as to whether or not the present S.9 should be the bottom line.

Gravel, Stevens and Young met with all of us as the last event. I'm sure there are conflicting opinions as to the outcome, but my reading is that Gravel and Stevens will request Byrd to call an ad hoc Committee together to argue on ground rules for the Senate floor. I am cloudy as to whether or not any amendments are to be accepted in the deal. Stevens was emphatic that this effort take place before the end of this year.

It is my personal belief that this Commission should travel to D. C. again to ensure this effort stay on track.

Lt. Governor Miller did an admirable job at keeping the participants on track and John Katz provided a meaningful and comprehensive briefing. Several Commission members changed their viewpoints between arrival and departure and provided the direction toward a unified effort.

On another note I have learned that an aspect of the effort is once again in funding difficulty. Although John Katz and the lobbyists are still solvent, as is the Blue Ribbon Commission, the media effort is running low. No figures are available to me at this point, but I might suggest that each of us be looking at this aspect and evaluating its impact. Some hard questions need to be asked and answered before we pass through more funding.

BLUE RIBBON COMMISSION

Lt. Governor Terry Miller
Cliff Groh
Tom Kelley
Joe Josephson
Bill Egan
Lisa Rudd
Lew Williams
Bob Weeden
Bob Atwood
Ed Merdes
Tom Fink
Harold Gillam
Walter Hickel
Louis Overstreet
Byron Mallott



STATE OF ALASKA
OFFICE OF THE GOVERNOR
ANCHORAGE

TO: Senator Mike Colletta

FROM: Jerry Reinwand
Executive Assistant to the
Governor

DATE: November 23, 1979

Attached for your review is a copy of the report pertaining to management of the funds appropriated for the (d) (2) lands lobbying program.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

STATEMENT BY GOVERNOR JAY HAMMOND
ON REVIEW OF D-2 INFORMATION CAMPAIGN FUND

NOVEMBER 18, 1979

In recent months, it has become increasingly evident that lack of adherence to sound business practices in the negotiation of contracts has led to justifiable criticism. The "crash" need to implement a D-2 informational program is an example of unwarranted "red tape" slicing which appears to thwart said accounting procedures. Accordingly, my office directed an administrative review of this fund.

As a result of the administrative review of the D-2 information campaign funds appropriated to the Office of the Governor, I have called for strict contracting procedures to be implemented. Recommendations are currently under staff review to improve administrative processes, including contracting procedures. I expect all contracting through the Office of the Governor to be done in such a manner that it will be an example of how public business should be conducted, rather than an exception to general accepted practices. There will be no exceptions to this procedure, once adopted, unless either myself or my executive assistant determine that such an exception is warranted and is in the public interest. Such standards currently do exist in State government, but in the case of the D-2 account a waiver was granted. That no longer will be the case. We now have an overview of the situation, regarding the status of the D-2 accounts. However, a complete audit of accounting practices within the Governor's Office is in progress.

TO: [The Honorable Jay S. Hammond
Governor

DATE: November 9, 1979

FILE NO:

TELEPHONE NO:

FROM: Jerry Reinwand
Executive Assistant
to the Governor

SUBJECT:

Attached to this memorandum is a management report regarding the State's D-2 Congressional 'obbying, media and management program. The report was researched and written at my request by Al Eagle, former director of the Division of Management Services in the Department of Environmental Conservation. Mr. Eagle's management expertise is well-recognized in state government. He has been an active participant in many management-related efforts, including your "Management by Objectives" program. Mr. Eagle also played an important role in developing the policy budget concept which we implemented in the fiscal year 1981 operating and capital budgets.

I believe several points need to be stressed to give you a proper overview of the D-2 management report. First, in his report, and in subsequent conversations with me, Mr. Eagle notes that the program components under the supervision of Lieutenant Governor Terry Miller and Special Counsel John Katz were well managed and free of problems. Second, many of the problems that developed as the D-2 program was implemented trace their root cause to a lack of written fiscal and management rules in the Office of the Governor. I would like to address this second point in more detail. As is demonstrated in the Eagle report -- and confirmed by my recent survey of our past practices -- the Governor's Office staff has too frequently winked at long-established, sound management practices in the area of contract award and administration. I know you have been unaware of these unsound practices, and that they are the antithesis of the values of equity and fairness which you hold paramount. There are some who would blame our fiscal office, specific staff members, or both, for this situation. However, I believe that would be unfair. As director of the Governor's Office staff, I accept full responsibility for the problems that have developed, and apologize for any embarrassment they may have caused you. These problems were caused in part because I did not pay adequate attention to the day-to-day fiscal operation of the Governor's Office. Except for

November 9, 1979

those problems that were brought to my attention (DPDP/DOT-PF contract, Orth/bottomfish contract), I did not to involve myself in fiscal matters, leaving that responsibility to other staff members. Looking back at this situation, I can see this decision was short-sighted. Immediately after joining your staff I should have ordered a review of the office's fiscal procedures, and requested the staff to develop rules to plug the gaps that existed. Although the Governor's Office received a waiver from the State's competition bid procedures for the D-2 program (see attachments), it is my opinion that we should have tightened the program's contract administration process once we were past the initial flurry of "start up" of the D-2 effort. In any event, there is simply no excuse for the fact that the D-2 staff approved payment of State monies to at least four different vendors without any written contract or authorization. As you have requested, we have developed for your review and approval a tough set of procedures to cover contract award and administration. One footnote is in order: It is clear to me that "sole source" contracts should be classified as an endangered species in the Governor's Office, to be used only in rare, compelling instances.

If you have any questions on this matter, please do not hesitate to contact me.

TO: [

Michael C. Harper
Administrative Assistant
to the Governor
Office of the Governor

DATE:

May 17, 1979

FILE NO:

TELEPHONE NO:

FROM:

W. R. Hudson 
Commissioner
Department of Administration

SUBJECT:

Direct contract authority - D-
Lands Campaign; your memo dated
May 10, 1979.

In response to your May 10 memo and the information presented to Deputy Commissioner Sue Greene by you and your staff, I am willing to authorize delegation of purchases related to the D-2 lobbying project directly to your office. Additionally I approve a waiver of the usual competitive bid procedures and procedures for contractual professional services related to the project.

Under this authorization I understand that your office will be fully responsible for all expenditures made against the D-2 appropriation. If my staff can be of help to you at any time during this project, however, please call on us.

WRH/kh

cc: Janet Greene, Office of the Governor
Bill Mullin, Director of Finance
Dick Bradley, Director of General
Services and Supply
Bill Ladwig, Finance

RECEIVED
MAY 18 1979
GOVERNOR'S OFFICE

TO: [W. R. Hudson, Commissioner
Department of Administration

DATE: May 10, 1979

FILE NO:

TELEPHONE NO:

FROM: Michael C. Harper
Administrative Assistant
to the Governor

SUBJECT: Direct Contract Authority -
D-2 Lands Campaign

As you of course know, the Office of the Governor is deeply involved in what has been called the most hotly contested legislative battle in the U.S. Congress since the Civil Rights Act of 1964 - the controversy over National Interest Lands in Alaska. The state has won a few of the first skirmishes in Washington, but not without some casualties, mainly in the area of compliance with appropriate state regulations regarding purchasing and contracting. The urgent need for quick decisions and rapid and effective action has taken precedence over the processing of forms for advance approval in this combat situation.

AS 37.05.220 provides for direct purchase authority to be granted to an agency for specific supplies, materials, equipment or contractual services in unique circumstances. We respectfully request that you delegate such authority to this agency for all purchases relating to this specific project, including a waiver of competitive bid procedures and/or the approval of the Division of General Services and Supply. Under this agreement this office would accept full responsibility for the propriety of all expenditures made against the D-2 appropriation. Periodic reports would be sent to you or your designee, and would of course be subject to whatever audit procedures you desire. I believe this course of action to be the most efficient method of coping with this admittedly unusual situation, in the best long-term interest of the State.

cc: Janet Green ✓

MAY 11 1979

ATTACHMENT #3

TO: [The Honorable William R. Hudson
Commissioner, Department
of Administration

DATE: November 9, 1979

FILE NO:

TELEPHONE NO:

FROM: Jerry Reinwand
Executive Assistant
to the Governor

SUBJECT: Compliance with
Administrative Requirements

It has been called to my attention that routine inquiries between members of our respective staffs have occasionally resulted in the Office of the Governor being granted special exemptions from administrative process and regulations. Apparently this has been done at the urging of the Governor's Office staff. In an attempt to work cooperatively on problem areas, the Department of Administration has honored this office's exemption requests. While I appreciate your department's effort to accommodate staff requests, these exemptions seem to have encouraged this office to adopt sloppy operating habits regarding contracting.

At the Governor's request, we are implementing a stringent set of procedures dealing with contract award and administration. Any requests to you for an exemption from these contracting procedures will be approved only by the Governor or me. I plan to inform the staff of this new procedure and have attached a copy for your review. I would appreciate it if you would inform your staff of this new procedure. The Governor has made it clear that he wants this office to set an example for the rest of State government in regard to contracting and other procedures. The attached procedure is the first step in the process of improving the performance of this office in this regard.

JR:grw

TO: [Jerry Reinwand
Executive Assistant
to the Governor

DATE: October 31, 1979

FILE NO:

TELEPHONE NO:

FROM:


H. L. Eagle

SUBJECT: Administrative Review
of D-2 Accounts

At your request, I have completed an administrative review of the accounts of the State's D-2 effort. This memorandum outlines the methods which I used and contains my findings and recommendations on administrative matters. At the outset, it is important to stress that I have not conducted an "audit" as normally performed by a professional auditor. Auditors generally review all expenditures and accounting controls for legality and compliance with normally accepted accounting standards. Additionally, no "program performance" review was conducted to determine the effectiveness of program activities. My review was conducted to reconcile accounts, arrive at account balances, project future account balances, train program management and fiscal staff in fiscal methods and also to develop managers confidence in the State's fiscal procedures. Considerable time was also spent reviewing the status of contracts, developing informational worksheets and developing a usable management fiscal report format.

Throughout the course of this review, all personnel in the Governor's Office were very helpful and cooperative. Particular notice should be given to the excellent performance of Mrs. Sheri Vidic. Although relatively new to both the State and the D-2 program, Mrs. Vidic essentially completed the work which I had started, while I was absent due to illness. Sheri has been invaluable throughout the course of this review.

Methods Utilized

To reconcile the D-2 accounts the following tasks were performed.

1. Analyze enabling legislation, commitments and past management direction and desires concerning D-2 accounts. A summary spread sheet was developed portraying these directions and reports chronologically.
2. Verify the current appropriation, allocation of funds between accounts and authorizations. Journal vouchers were collected and a chronological summary was prepared which displays the chronological distribution of funds to accounts and clarifies for management the effect of fiscal year end in FY79. The summary was balanced to the current year authorization.

3. Verify, for management, the expenditures to each account.
Where required, detailed listings of all expenditure by vendor and object code by month was prepared and reviewed with management. Problems so identified were corrected by adjustment voucher.
4. Verify allocation of salary expenditures to each account. Summaries of salaries charged to accounts were prepared, reviewed with management, and problems resolved
5. Review all D-2 contracts in detail. Contracts were reviewed as to purpose, terms and conditions, status of encumbrances, billings and payments. Individual contract analysis sheets were prepared and reconciled against encumbrance, and payment vouchers. Several contract summary sheets were developed from which contract ammendments, additional billed obligations, new encumbrances etc. could be identified and/or prepared.
6. Conduct a general review for legality of expenditures. A sampling (non-random) of expenditures was made and where obvious, illegal expenditures were documented.
7. Reconcile account balances and develop account balances. An accounting balance was achieved on October 11, 1979.
8. Based upon past transactions, pending and future commitments, project account balances to the end of October and also December. End of October balance projections have been developed and are being kept current as program changes become known. These balance projections will be reconciled against the end of October authorization balance runs as they become available. Despite limited experience with these accounts, the balance projections should be accurate enough for management needs and accuracy should improve further with additional experience. Tentative balance projections through December have also been developed.
9. Develop information necessary for management control of D-2 accounts. In addition to the work sheets listed above, numerous other summaries and analyses were prepared as necessary to resolve management questions. Additionally, a suggested fiscal report format usable by both the fiscal and management staff was developed and has been accepted by D-2 staff.

All of the above materials are available in the D-2 fiscal office should further review be desired.

General Comments

It became immediately apparent that considerable confusion existed concerning the fiscal status of D-2 accounts. As will be discussed in more detail later, most of this confusion seemed to stem from a lack of knowledge on the part of management about the State's fiscal, contracting and reporting requirements. When various memorandae and fiscal summaries were written by management, they often confused authorizations, expenditures and future commitments. Because managements expectations, directions and even thought processes were not in tune with, or easily translatable into, accounts, authorizations, encumbrances, expenditures and adjustments, which the fiscal office must clearly understand to provide support, a wide gulf rapidly developed between the program managers expectations and the transactions actually processed. This, more than any other single factor, seems to have caused the ensuing confusion. It is recommended that in any future program involving the expenditure of considerable funds, a number of actions be taken, including

1. Train new program managers for a day or two in the State's fiscal management process.
2. Adequately staff fiscal support, at least during program start up, to ensure the programs get off on the right foot.
3. Develop a contracting/purchasing procedure and ensure it's followed.
4. Ensure that all summaries, reports, directions, desires, etc., which management develops clearly identify and/or distinguish between accounts, authorizations, encumbrances, expenditures and the like, so that the fiscal office can make the desired transactions correctly.

In balance, it should be stated that the confusion which resulted was not solely due to program managers. The fiscal office did not aggressively follow up to clarify and correct the problems which arose. Numerous errors of omission and commission have been noted. Additionally, it is my belief that it is the responsibility of fiscal staff to train program managers in "accountingese", so they can manage effectively. This, apparently, was not done.

Attachment I to this memorandum projects account balances to the end of October. It is noted that while the D-2 effort was originally funded through August, 1979, and later extended through October, 1979. Sufficient funds

remain to extend the program, possibly through the remainder of the calendar year. There are a few accounts which either are or soon will be overrun. These specific problems should be addressed and resolved as soon as possible through reprogramming remaining D-2 funds or other funds which might be available. Despite numerous problems, program management has controlled expenditures so that funds remain. It is anticipated that revised reporting and projection techniques now essentially in place will assist them in their efforts. Adequate fiscal planning now will minimize any future fiscal problems through program completion.

In preparing this memorandum, I have compared my comments and recommendations with those of Mr. Craig Lindh reported in his memorandum of June 13, 1979. There is substantial agreement between many of our recommendations.

Specific Comments and Recommendations

1. Comment:

A comparison of management intent as evidenced by their memoranda and fiscal summaries and the actual transactions establishing accounts reveals that much confusion existed. By way of example, it was management's intent that \$250,000 be allocated to travel in the general account (account 100). Even though fiscal reports indicate that was the case, there has never been that amount in travel in that account. Management direction was not always available to support journal vouchers establishing authorizations. It is noted that one journal voucher took more funds out of an account than existed resulting in a negative authorization balance. It is not possible for me to reconcile management intention, authorizations established by journal vouchers and reports to management prepared by the fiscal office.

Recommendations:

All direction to the fiscal office indicate account name, collocation code, object code, etc. when transactions are desired.

Fiscal office should be adequately staffed, particularly at program start up, to provide the necessary support.

Periodic reviews should take place between program and fiscal staff to review the status of all accounts for which responsible and all problems be aggressively worked until solved. At program start up, particular emphasis should be given to the correct establishment of accounts.

2. Comment:

Reports from the fiscal office to program management were in error and in a format not consistent with the computer authorization balances. The format of these reports was not readily usable by program management. Total account activity in FY79 and 80 was carried as opposed to current year authorizations which resulted in confusion between computer reports and manually prepared reports.

Recommendation:

Adopt a simple fiscal report format and ensure that it is reconciled to the computer authorization balances monthly. This is particularly important for continuing accounts. A suggested format has been developed.

Wherever possible utilize computer reports in lieu of preparing fiscal reports manually, e.g. distribute daily and monthly reports to program managers so they might review expenditures, etc. Stress to the Department of Administration that a statewide projection report system is a priority. This project has been repeatedly delayed.

3. Comment:

Although it is perfectly legal to establish "general" account funds, the potential for overrun in that account is increased.

Recommendation:

Clearly identify a specific manager to be responsible for the funds in each account. No expenditures from another managers account should be made without the responsible managers concurrence.

Discontinue the practice of establishing "general" accounts to which no responsible manager has been assigned.

4. Comment:

Many contracts written by the D-2 staff are inadequate in that the scope of work is not specified, payment

schedules are not clearly worded, open ended and questionable expense provisions exist, payment schedules do not tie in with a deliverable product or task, no evaluation provisions are specified, etc.

Recommendation:

Training in contract writing and State purchasing and contracting processes is strongly recommended for D-2 staff, administrative staff, fiscal staff, contract management staff, and others as appropriate.

Utilize applicable provisions of the contracts section of the State Accounting Manual even when final approval authority has been delegated to the Office of the Governor.

Thought should be given to developing and utilizing a contract procedure in the Office of the Governor which sets down contracting standards. Ensure contracts and amendments are carefully reviewed prior to signature to maintain quality control.

5. Comment:

Contract management has in some cases been poor. Back up for payments is kept in several places and is hard to locate. Reports have apparently not always been received from contractor as required. Prepayment has been authorized by imprest cash where not absolutely required, overpayments have been made, insufficient funds for expenses were encumbered, verbal extensions resulted in billings after contract expiration. Contract amendments were not completed on a timely basis. Some amendments were processed to cover verbal commitments.

Recommendation: In addition to training and procedures discussed above, "tighten up" on all contract procedures.

Consolidate program, contract offices and vendor files where possible so that contractor activity reports are easily retrieved.

Prohibit verbal commitments between the State and contractors.

Where the scope of work is not yet clear, consider the use of limited funded retainer contracts until work plans and tasks become clearer.

6. Comment:

Almost all contracts appear to be initiated on a sole-source basis. Although sole-source contracts are not illegal, the State Accounting Manual roundly discourages them. Judgement dictates that open competitive bid or multi-source contract procedures should be utilized wherever feasible. The Department of Administration did waive competitive procedures in their memorandum of May 17, 1979, which compounded the problem. However, the Office of the Governor assumed the responsibility for propriety of expenditures.

Recommendation:

Discourage sole-source contracts wherever possible.

Utilize open and competitive processes wherever possible. Establish procedures in which sole-source contracting is an exception rather than the rule.

7. Comment:

Several major purchases were made without any form of contract, delivery order or other purchase document among them were:

Murray, Bradley, Rockey	\$260,165
National Parks Innholders	2,843
Chuck Imig	2,235
TIS Inc.	3,205

Such purchases are not in compliance with State accounting and purchasing procedures.

Recommendation:

Fiscal, administrative and program staffs review and utilize State accounting and purchasing procedures.

Clearly establish that program considerations and expediency do not override State policies laws and procedures.

Identify a control point to preclude illegal purchases. Standard steps to accomplish this control might include:

- a. Ensure managers initiate purchases in compliance with applicable laws and regulations.
- b. Program managers should review and approve purchases.
- c. Billings should be reviewed, approved and coded by Program Managers prior to being sent to the Fiscal Office for payment.

- d. The Fiscal Office should have clearly established authority and accountability for rejecting payment of billings until adequate documentation is available.
- e. The fiscal office should invite management attention to questioned billings and not process payment until problems are resolved.
- f. Management at all levels should be held accountable for the propriety of fiscal matters.

Assistance in establishing adequate accounting controls, separation of duties and smooth document flow could be obtained from other operating agencies, Division of Finance or Internal Audit.

AE:grw

APPLICABILITY

This procedure applies to the development and management of professional services contracts governed by section 8100 of the State Accounting manual.

Other purchases of goods and services are governed by the State Purchasing Regulations and the supply section of the procedures manual, these other include:

1. Requisitions from the Division of General Services and Supply, Department of Administration.
2. Direct purchases by agencies against established Delivery Orders.
3. Direct purchases on the open market by agencies as specifically authorized by the Division of General Services and Supply, Department of Administration.
4. Purchases from sheltered workshops.
5. Emergency purchases.
6. Purchases through formal bid waiver.
7. Procurement from central stores.

LEGAL BASIS FOR THIS PROCEDURE

Alaska Statute Title 36 establishes general requirements for Public Contracts.

Alaska Statute 36.20.010 establishes Alaska vendor preference.

Alaska Statute 37.05.220 establishes the Department of Administration as the purchasing agent for the state and details their duties and responsibilities in obtaining goods and services.

Alaska Statute 37.05.230 and 37.05.240 establish requirements for competitive bids and awards.

Alaska Statute Chapter 37.10 establishes requirements to be met in paying obligations of the state.

Section 8100 of the State Accounting manual establishes detailed requirements regarding professional service contracts.

The State Purchasing Manual establishes legal requirements for purchasing goods and services other than by professional service contracts.

8. Transfer between State Agencies.
9. Rental from commercial sources.
10. Regulated services.
11. Unauthorized expenditures.

Refer to the State Purchasing Manual and the Supply Section of the procedures manual for instructions regarding the above types of purchases.

STATEMENT OF POLICY

Managers involved in contracting on behalf of the Office of the Governor will fully comply with all applicable laws and regulations established under those laws by the Department of Administration. Additionally, when contracting for goods and services, managers shall:

Utilize specified open competitive bid and/or multi-vendor contact procedures.

Prepare contracts which are in conformance with established standards.

Manage contracts in a manner which zealously protects the public interest and public funds entrusted.

Make no verbal commitment, on behalf of the state, to a potential contractor until final contract approval has been obtained.

CONTRACTS

A professional services contract is a formal written agreement, enforceable by law, between the state and one or more other parties entered into to obtain for the state, services requiring specialized knowledge and training to perform, often through long and intensive academic preparation. This includes artistic abilities but not manual skills.

Under federal law, a "contractor" working under supervisory direction of the state in an employer provided and controlled work environment is in fact not a contractor, but an employee. Where an employer/employee relationship exists, the state becomes liable for withholding and paying employee taxes. Accordingly, to qualify as a contractor the individual organization: normally maintains an office and staff, provides necessary tools and instruments, assumes all risks of malpractice and non-performance, offers services to the general public, acquires and maintains a business license, reports and pays all taxes, maintains corporate registry and/or licenses.

When preparing and managing a contract, program managers are expected to understand and comply with the provisions of this procedure and chapter 8100 of the State Accounting Manual.

GENERAL REQUIREMENTS AND AUTHORITIES CONTRACTS UNDER \$300.00

The Department of Administration has delegated to the Office of the Governor as well as other state agencies, the authority to obtain professional services in an amount not to exceed \$300.00 without preparing a formal written agreement. However, where any possibility of a misunderstanding between the State and a potential contractor ^(may exist) a memorandum of agreement should be prepared. Three or more vendors shall be contacted to obtain the best possible price quotation. Multi vendor contact and the rationale for vendor selection will be documented and retained in the program managers file.

<u>Requirements</u>	<u>Authority</u>
Make multi vendor contact	Program Manager
Document multi vendor contact	Program Manager
Make and document contractor selection	Program Manager
Prepare memorandum of agreement (where needed)	Program Manager
Approve services and billings and code billings for payment	Program Manager

CONTRACTS COSTING MORE THAN \$300.00 BUT LESS THAN \$2,000.00

Professional Services Contracts in an amount exceeding \$300.00 require a formal written contract. If the cost does not exceed \$2,000.00, no formal authority to negotiate (ATN) approved by the Department of Administration, is required prior to contacting potential contractors. These contracts do, however, require a completed contractor questionnaire (Form 02-189). Program Managers will contact at least three potential contractors to obtain price quotations and document the multi vendor contact. Submit the multi vendor contact documentation and the rationale for vendor selection along with the contract for approval. Contracts do not become effective until approved by the Department of Administration.

Requirements

Authority

Make multi vendor contact

Program Manager

Document multi vendor contact

Program Manager

Make and document contractor
selection

Program Manager

Prepare Contractor Questionnaire
(Form 02-189)

Program Manager

Prepare contract and forward with
required documentation for approval

Program Manager

Review for content and compliance
with requirements

Administrative Officer

Review contractor selection and
Governor's office approval

~~Executive~~
Administrative Assistant
to the Governor

Encumbrance Document prepared
and logged

Administrative Officer

Final Approval

Department of Admin-
istration

Approve services and billings
and code billings for payment

Program Manager

CONTRACTS COSTING MORE THAN \$2,000.00 BUT LESS THAN \$20,000.00

For contracts which might exceed \$2,000.00 a formally approved ATN and a completed contractor questionnaire is required prior to initiating any contact with potential vendors. Additionally, contractor selection shall be based upon Formal Request for Proposal (RFP) procedures. Upon receipt of the approved ATN from the Department of Administration, Program Managers may prepare a formal RFP and

will give it wide distribution either by direct mail or by advertising in newspapers. Contractor selection will be made based upon RFP responses by a contractor selection team appointed by the ~~Administrative~~ ^{Executive} Assistant to the Governor. Contracts do not become effective until they are approved by the Department of Administration. The Department of Administration will require a copy of the RFP, a list of vendors to whom the RFP was sent, a copy of vendor responses, justification of price and vendor selection if the contract is awarded to other than the lowest bidder, an encumbrance document, documentation of newspaper advertising if utilized.

Requirements

Authority

Prepare ATN and Questionnaire

Program Manager

Review ATN and questionnaire

Administrative Officer

Governor's office approval of ATN and questionnaire

~~Administrative~~ ^{Executive} Assistant
to the Governor

Encumbrance document prepared & logged

Administrative Officer

Final approval of ATN

Department of Administration

Prepare RFP

Program Manager

Review RFP for content

Administrative Officer

Governor's office approval of RFP

~~Executive~~
~~Administrative~~ Assistant
to the Governor

Upon receipt of approved ATN & RFP
disseminate RFP

Program Manager

Appoint selection team

~~Executive~~
~~Administrative~~ Assistant
to the Governor

Select Contractor based upon
RFP responses

Selection Team

Draft contract

Program Manager

Forward signed contract with
required documentation for approval

Program Manager

Review contract and documentation
for content and compliance with
requirements

Administrative ~~Assistant~~ ^{Officer}

Governor's office approval of
contract and documentation

~~Executive~~
~~Administrative~~ Assistant
to the Governor

Encumbrance document prepared
and logged

Administrative Officer

Final approval

Department of Admini-
stration

Upon receipt of approved
contract give notice or proceed

Program Manager

Approve services and billings
and code for payment

Program Manager

CONTRACTS COSTING MORE THAN \$20,000.00

Additional requirements are established for contracts where the cost may exceed \$20,000.00. A program review memorandum is required if funds for the contract are not specifically budgeted. In addition to other means of solicitation of proposals, RFP's will be published in a major newspaper in at least each of the three largest cities in Alaska.

In addition to the requirements for contracts exceeding \$2,000.00, the following requirements are established:

Requirement

Authority

Prepare program review memorandum
if required

Program Manager

Review budget and Program Review
memorandum

Administrative Officer

Office of Governor approval of
Program Review memorandum

~~Executive~~
~~Administrative~~ Assistant
to the Governor

Documentation of newspaper
advertising

Program Manager

Review of newspaper advertising

Administrative Officer

Office of Governor approval
of newspaper advertising

~~Executive~~
~~Administrative~~ Assistant
to the Governor

Final approval of newspaper
advertising and program review
documentation (a long with contract)

Department of Admini-
stration

Should it become necessary to initiate a contract on a sole source basis, request a waiver from the Department of Administration of some provisions of their regulations or deviate from some provision of this procedure, the authority to make the request to the Department of Administration, or to approve such an exception is vested only in the Governor and the Executive Assistant to the Governor.

EMPLOYER - EMPLOYEE RELATIONSHIP QUESTIONNAIRE

There is no one definition for an independent contractor.

However, there are guidelines which can be used to determine whether a person is an independent contractor or an employee.

In general, there is an employer - employee relationship if some or all of the following conditions exist:

1. The person is subject to the will and control of the State, not only as to what shall be done but when, where and how it shall be done. It is necessary that the State actually direct or control the manner in which services are performed; it is sufficient that the State has the right to do so.
2. The State has the right to discharge the person.
3. The State furnishes the tools, equipment and a place to work for the individual performing the services.

Generally, if an individual is subject to control or direction of the State as to the result to be accomplished and the work to be done but not as to the means and methods for accomplishing the result, he is an independent contractor. Also, an independent contractor is one who is established in a business

of his own and holds himself available to the public to perform services of that nature from which he may derive a profit or suffer a loss.

In most cases it is clear whether or not a person is an employee. In some cases, however, the status of a person may be difficult to determine. The questionnaire on the reverse side of the Authority to Enter Contract Negotiations (Section 8140) has been designed to assist in making this determination. If a person is an employee, in order to comply with the Federal and State tax laws he must be put on the payroll - - the State cannot enter into a contract with him. If the person is an independent contractor, a contract may be negotiated with him and he must be paid through the general disbursement system.

A completed questionnaire is required to accompany each contract submitted to the Department of Administration for approval.

APPROVAL TO NEGOTIATE

Unless a professional service is exempted by Article 8110 of the State Accounting Manual, each agency must transmit to the Department of Administration the fully completed Form 02-189, Authority to Enter Contract Negotiations when the proposed contract is in excess of \$2,000 during a 12

consecutive month period. The questionnaire on the reverse side of Form 02-189 must be completed, except when the services are to be rendered by a governmental unit.

The face of the completed form (1) identifies the organizational unit and the person preparing the form, (2) states the estimated amount, the contract period, and the purpose of the contract, (3) states the budgetary data and the 8-digit collocation code, (4) shows the signature of the head of the organizational unit or of an authorized representative transmitting the request for approval. When the request is approved the face of the form shows the signature of the representative of the Department of Administration and the authority number assigned. This number will reflect the fiscal year and sequence of issue.

An agency may not enter into contract negotiations until the ATN is approved by the Department of Administration. Contract negotiation is defined as a process of conferring with others to arrive at a mutually acceptable agreement. Therefore, the Department of Administration must approve an ATN before an agency may do one of the following:

1. Send a formal RFP to prospective contractors.
2. Request one or more prospective contractors to submit formal proposals.

In some cases, preliminary contact with prospective contractors may precede negotiations. Care must be taken that these contacts do not result in a premature commitment and do not give any firm or individual an unfair advantage.

REQUEST FOR PROPOSAL

A Request for Proposal (RFP) is a formal written solicitation of an offer to perform services. It is prepared by an agency and sent to prospective contractors. In professional service contracting it is one of the most important documents prepared. An informal RFP may be a two-page letter setting forth the work to be accomplished. In other uses, an RFP may be a formally prepared document from ten to fifteen pages in length with numerous supporting schedules, exhibits and attachments. In order to accurately spell-out the performance required, so that the contractors can appropriately bid the contract, the RFP may require a considerable amount of time in its preparation.

Regardless of its length an RFP must include information on the following subjects.

Objectives This is a statement of the purpose of this work. It indicates the position the State wants to be in when the work is completed.

Scope This is a statement limiting the work to the specific tasks to be accomplished. To the extent they are applicable it should include the following:

1. Any mandatory approaches or specific limitations to the work.
2. Identification of the tasks to be performed and the sequence of performing them.
3. Extent to which State personnel or other assistance will be available.
4. Identification of the final product of the work including its contents and format.

Existing Conditions This is a statement of the systems, procedures, methods, resources and organizational structures that are currently used to meet management requirements and to discharge management responsibilities. This statement constitutes an analysis of the problem and should explain the reason why the work is being requested.

Work Schedule This is either a firm or an estimated time schedule. It should indicate when work will commence, when progress reports will be submitted and when draft and final reports will be completed.

Proposal Requirements This sets forth the requirements for a proposal submitted in response to the RFP. The most important requirement is the proposal contents which should include an overview or summary, a detailed statement of the plan or approach to provide the services, identification of the personnel who will be assigned to the project setting forth their education, experience and accomplishments, the qualifications and experience of the firm in performing comparable work, and the cost of the work required by the RFP including a breakdown of how it was computed. The requirements must also indicate a deadline for receiving proposals and to whom they must be sent.

Additional Information This is a statement of how questions regarding the RFP will be answered, who to contact and how any additional information may be obtained.

When agency's ATN has been approved, the formal RFP is sent to each prospective contractor. If there is a solicitation in the form of newspaper advertising, a letter accompanied by the RFP is sent to each firm responding to the advertisement. Newspaper advertising may be accepted as an alternative to listing three potential contractors on an ATN.

A pre-proposal conference to discuss the request may be desirable in some situations. Through the dialogue of a conference it

should be possible to bring the participants to a good understanding of the requirements. Then too, if all firms are gathered together, the conference can serve as a forceful reminder of the level of competition being sought.

In some situations an agency may find it desirable to make a proposal action a two step approach. First, technical and capability statements are requested. These are reviewed and discussions are held with the firms that are better qualified to provide the desired services. Proposals are then solicited and reviewed.

EVALUATION OF RFP'S

When proposals are received they must be evaluated. The evaluation procedure is a review process to determine if a proposal meets the requirements described in the RFP. It must include an evaluation of each firm's expected performance and the cost of the requested services. Additionally, the evaluation procedure rates proposals in the order of their acceptability with the most acceptable rated number one.

Proposals are evaluated by a committee consisting of at least three members. This committee should consist of representatives from the division requesting the services and from other divisions as well. Also, if the contract is a major undertaking that will impact another agency it should include at least one representative from that department.

The evaluation of proposals for major contracts should be by a point system. The use of a committee and a point system minimizes subjectivity and personal prejudice in the evaluation procedure. Suggested questions to address in developing an evaluation point system include:

1. Experience in performing work comparable to the work requested by this RFP.
 - a. The project manager.
 - b. Other consultant staff.
 - c. The firm.
2. Percent of his time that the project manager will spend on this project.
3. Proposed organization, work plan and approach of project team.
4. Understanding of RFP objectives and identification of potential problems.
5. Previous demonstrated experience with or knowledge of State of Alaska matters that are the subject of this RFP.
6. Quoted cost of professional services for this project.
 - a. Compared with our estimate.
 - b. Compared with other proposals.

7. Depth of the firm to provide key personnel for a project of this type.
8. Ability to provide requested services within time constraints.
9. Location of the firm's offices and availability for consultation.
10. Oral presentation of representatives of the firm.

CONTRACTS

Written contracts should define the terms and conditions of the agreement in enough detail that the area of potential disagreement is reduced to a minimum. Where details cannot be specified in advance, no basis for a contract agreement exists. In preparing contracts, the following questions should be addressed and reflected in the terms and conditions of the contract.

Article I - Services to be performed

What work is to be accomplished? Why is it necessary to do this work and what results will be obtained? Is the scope of work defined clearly enough to eliminate any ambiguity as to intent, objectives, method of attack, scope, duration, etc?

Is the work to be performed organized in such a way that the state receives "deliverables" ^{periodically} ~~periodically~~ for review, so that payment can be authorized?

Is the proposed expenditure for a legally authorized purpose or activity? Does the work conform with agency planning and its programs? Have requested funds ever been denied for this purpose or activity?

All of the above are to be spelled-out in writing as clearly as possible. The specific services to be provided must be carefully and completely described. Wherever possible, intangibles must be defined in finite terms. Levels of acceptable performance must be set forth in specific terms. All of these items must be clearly defined and understood by both parties to the contract.

The specification of services to be provided should be confined to services required, not services desired. Only those features that will assure a reasonable quality of service and a reasonable margin of safety should be included. In writing the specifications make them as restrictive as possible. If unnecessary services are specified, the State will be paying additional sums for services that are not needed.

Article II - Period of performance

Has sufficient time been allowed prior to the start up date for contract approval?

Is the expiration date consistent with agency needs and does it allow sufficient time for review, approval and revision to the services rendered if required?

Article III - Consideration

Does payment tie directly to the delivery of work or services as outlined in Article I? Are the interests of the State protected throughout the life of the contract?

What is the basis for the estimated cost of this work? Does the estimate of cost appear to be reasonable? Can the work be broken down to units, unit rates and other details which can be used for the calculation of fees and for comparison?

Are funds available in the contractual category to perform this work? If the contract is let will there be sufficient funds in this category to meet other expenses for the balance of the fiscal year?

General Questions

Could the work be performed by personnel within this agency or in some other agency?

Does the proposed work require coordination with or approval from some other agency?

Have at least three prospective providers of the desired service been designated? Are there other sources that could be included? Why have any qualified firms been excluded?

Is the work being requested or authorized by an agency administrator who is at the director level or higher?

TO: [Jerry Reinwand
Executive Assistant

DATE: November 9, 1979

FILE NO:

TELEPHONE NO:

FROM: Robert Clarke
Director of Communications

SUBJECT: Summary Response
d2 Audit & Contracts

1. Though originally budgeted through August, then extended through October, management of the campaign funds has been such that substantial balances remain and should make possible continuing the State's effort through winter, until the Legislature can take up needs, in January. (About \$400,000 remains.)
2. Contracts for the majority of expenditures were well handled. Some Communications office contracts, written in haste to get on stream in February, were loosely worded. These deficiencies have since been corrected. In all but a very few cases, customary procedures were followed in writing these Lobby and Communications contracts; (A.T.N.'s, etc.). While there were a number of "sole source" contracts, managers of Communication and Lobbying were required to rely on their professional judgements and experience in selecting these services.
3. The most problematical d2 expenditures in terms of contract procedures are those originating with the d2 Information Office. Of 16 accounts for expenditure above \$300.00, only one has been found to be supported by contract and authority to negotiate.

The most problematical of these expenditures involves the placement of advertising by the State through the firm of Murray, Bradley & Rockey. This relationship was initiated by the d2 Information Office in Anchorage, last Spring. When the Governor's office sought to place additional advertising on behalf of d2, we were advised a contract already existed for d2 advertising, and that additional ads should be managed through this contract.

Accepting this statement confirmed by a principal of the firm that it was "the agency of record", d2 ads subsequent to Spring, 1979, were issued through the firm and the assumed contract. In fact, no contract existed; only a letter of agreement. Consequently, d2 advertising expenditures, by Administrative procedure, could be termed illegal.

Since compensation to the agency was paid by media commissions to the agency for space purchased, and not by the State directly to the agency, no further impropriety beyond the by-passing of other state advertising agencies, occurred.

If the Murray, Bradley & Rockey expenditures were illegally initiated by the d2 Information Office in Anchorage, the Governor's Communications office was in error for not confirming the existence of the stated contract with the agency.

Jerry Reinwand
November 9, 1979
Page Two

Other vendors with which contracts were not in existence were:

Governor's Communications Office

National Parks Inholders Association: \$2,800.00.

This was an exclusive courtesy extended, with no alternative offer.

This association agreed to mail to its membership information about the State's consensus position. Requested by the State's lobby effort, the Communications office prepared the material and submitted it to the above association, all on extremely short notice prior to the House Floor debate. \$1,600.00 of the charge was for postage, \$400.00 for labor of collating and stuffing and mailing the material, and the balance for printing 5,000 copies of the material.

The National Park Inholders Association, a non-profit association, extended a courtesy to the State in making available its mailing list, and further courtesies in arranging for the convenience of speed printing in their geographical area, collating, stuffing and posting the material, and PRE-PAYING all these items and subsequently billing the state for their actual costs. To suggest a contract for a courtesy extended on short notice may have been counter-productive to a project which was deemed critical to the lobby effort.

Chuck Imig Video:

The total amount of \$4,000.00 paid to this firm was incurred by four or five different emergency uses of service for which he was available when others were not, or would have charged higher fees. First, when we received the go-ahead to transmit the House Floor debate live, coming in from the satellite, emergency (3:00 a.m., Anchorage time), experienced technical handling was required. This was the largest item of the Imig charges. On another occasion, when the Governor was scheduled to make a state-wide address to the people of Alaska, from his Juneau office, he was called to Anchorage on business. On short notice, the Imig firm was again available to video-tape that address for distribution to the state's television stations. There was no time to negotiate contracts for these emergency situations, although the Communications office had already reviewed rates of service, equipment and availability of other such facilities within the state, and were aware of their competitive aspects. In the cases, above,

Jerry Reinwand
November 9, 1979
Page Three

however, Imig was selected because of immediate availability, low rates, and as well, for his ten years experience in video-taping Federal/State Land Management meetings. He was, in effect, a video "court reporter" for all these sessions, not just in Alaska, but around the nation. His experience on this issue alone would justify a sole source contract, but in this case, his services could not be anticipated.

T.I.S.

This graphic arts studio in Washington, D.C., was a subcontractor to the Carl Byoir firm, prior to termination of this contract in June, 1979. After termination, many of the basic graphics used in developing illustrative support were, as is standard among graphic arts and photography firms (i.e., they own negatives), in the possession of that firm. To save costs of time and dollars in duplicating these basic materials elsewhere, to say nothing of familiarity with the issue, we were obliged to continue using T.I.S. when emergency needs for illustrations arose in Washington. Example: When the Lt. Governor and John Katz decided that an advertisement was needed for the Washington Post, T.I.S. firm remained open the weekend and overnight to typeset and lay out the ad. In addition, when the pre-payment for the advertising space was not received from Alaska, this firm used its credit rating with the Washington newspapers to place the ad on schedule. They charged the State only for labor and materials, receiving a commission for the advertising from the newspapers, as is standard professional practice.

When a further illustration was needed in Washington, and d2 personnel were in Alaska, negotiations with competitive firms in D.C. was difficult, if not impossible.

d2 Information Office

The following are account expenditures for which no contracts or other State-required documentation have been found to exist:

Murray, Bradley & Rockey*	\$65,089
WNA Video	2,046

Pat Kling	\$ 690
Ayse Gilbert*	875
AK Humanities Forum*	1,000
University of AK	645
Color Art Printing	371
Northern Printing	806
Dean's Litho	926
Automail	1,234
Yukon Office Supply	699
Arctic Office Supply	472
AK Review (Video)	750
Computer Compsition (Graphics)	302
Shimeks	424

Note: * indicates Letters of Agreement

In addition to the above, a questionable lease arrangement is in effect between the d2 Information Office and Ed Bennett for lease of personal audio equipment to that office. Such contracts are not within Administrative procedure. (See Memo attached.)

It should be mentioned here that the d2 Information Office may have been working under procedures acceptable to its previous Legislative oversight. If this is the case, the difference between Administrative and Legislative procedures illustrates the necessity for a single authority over such expenditures; the prime finding of both the Lindh and Eagle memoranda.

10. 7

All Commissioners

DATE: October 26, 1979

FILE NO:

TELEPHONE NO:

FROM:

Commissioner W. R. Hudson
Department of Administration

SUBJECT:

Third Party Leases
State Policy

It has come to my attention recently that attempts have been made to obtain equipment/furniture by lease/purchase arrangement.

You are reminded that on June 10, 1975, a policy memorandum was issued to all departments and agencies which addresses this very subject. It has not been rescinded and still applies to all items except those that fit into the categories of word processing or computer equipment.

Serious implications surround such arrangements, and until such time as the State establishes a means to acquire equipment in this manner, entering into such agreements at the very least, leaves your respective departments without benefit or protection of State terms and conditions. It may also be viewed as an attempt to circumvent legislative intent.

I view the preceding as a very serious area and request that all concerned take the necessary steps to cease and desist in such activities.

If you desire more specific information, I request you call Mr. George Elgee, Director of the Division of General Services and Supply.

WRH/kh

cc: Division of Budget and Management

Division of Finance

Division of General Services
and Supply

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NOV 02 1979

FISCAL OFFICE

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STATE OF ALASKA
OFFICE OF THE GOVERNOR
WASHINGTON, D.C.

Myths and Facts About the Alaska Lands Legislation

August 28, 1979

The following statements have been taken directly from testimony presented by Congressmen Udall and Seiberling and from correspondence to Congress written by members of the Carter Administration. Not only are these statements extremely inaccurate and misleading in themselves, they contribute to a pattern of hyperbole and misperception which has pervaded the Alaska lands debate from the beginning.

Most of the statements have been advanced as arguments in support of the Udall-Anderson bill. In this context, the statements take on added significance, because they have become a misleading basis for an advocacy position. Since the statements discussed below deal with such important elements of the pending legislation, we feel compelled to set the record straight.

General Statements and Philosophy

1. Myth: "...The Udall-Anderson bill is the fair and balanced bill the House passed last year..." --Congressman Udall, testimony before the House Rules Committee, April 30, 1979.

Fact: The Udall-Anderson bill is not the bill that passed the House last year. There are many significant differences and omissions. For example, the Udall-Anderson bill increases the amount of wilderness acreage, particularly in the extremely sensitive region of Southeastern Alaska, omits important provisions relating to the conveyance of State lands, creates additional conflicts with commodity resources and State selection desires, and significantly increases the total amount of acreage that would be affected by Alaska lands legislation.

Moreover, it should be noted that some of the principal proponents of the Udall-Anderson bill claimed that the

*With certain exceptions not relevant here, the so-called Huckaby bill reported by the House Interior Committee is identical to S.9, which is now pending before (and was reported last year by) the Senate Committee on Energy and Natural Resources. Therefore, statements and rebuttals addressed to the House measure apply equally to S.9 and the Senate's consideration of that bill.

Senate would pass a weak Alaska lands bill, and that therefore it was necessary for the House to pass Udall-Anderson in order to establish a strong negotiating position in the conference committee. There has never been any evidence that the Senate would treat the Alaska lands legislation in the manner just indicated. In fact, the Senate Energy Committee reported a strong environmental bill last year.

2. Myth: "...In our approach we have been guided by two principles. One is save and preserve only the areas of true national significance. The other...is that we exclude areas of economic interests..." --Congressman Udall, testimony before the House Rules Committee, April 30, 1979.

Fact: Proponents of all the Alaska lands bills support these principles. The problem is that the Udall-Anderson bill does not apply them. For example, that proposal would include in wilderness areas two of Alaska's seven world-class mineral discoveries identified by the Stanford Research Institute. (Also see comments regarding the Arctic Wildlife Range and Southeast Alaska.)

3. Myth: "It is very clear that two-thirds of Alaska is wide open (for development)..." --Congressman Udall, testimony before the House Rules Committee, April 30, 1979.

Fact: This is not an acreage game. Resources, whether they be beautiful scenery, minerals, or wildlife habitat, are where you find them.

Moreover, the State has enacted stringent land use and environmental controls which apply to State and private lands. In addition, the State has created numerous State parks and critical habitat areas, including two of the largest State parks in the United States. Several Federal statutes regulate or prohibit activities on Federal lands which are unaffected by the D-2 legislation, and certain Federal environmental laws apply to all lands.

Energy

4. Myth: "...The most likely sources (of oil and gas) are offshore. Every single area is available. We mandate the Secretary to go ahead and start leasing this. Of the 149 million sedimentary basins onshore, all are made available except 2 million..." --Congressman Udall, testimony before the House Rules Committee, April 30, 1979.

Fact: Neither the Udall-Anderson bill nor any other pending Alaska lands measure deals with oil and gas development on the

Outer Continental Shelf. This matter was treated in legislation enacted by the Congress last year. Moreover, it should be recognized that oil development in Arctic coastal areas poses environmental risks far exceeding those associated with upland development or OCS development elsewhere in the country.

With respect to the last sentence quoted above, the Udall-Anderson bill would prohibit oil and gas development in ten million acres of favorable onshore petroleum provinces, as identified by the United States Bureau of Mines. Portions of these provinces are included in national parks, park preserves, and wilderness areas located in national forests and wildlife refuges.

5. Myth: "...95% of the oil and gas potential, both the high and favorable, as well as the sedimentary basins, is open for development." --Congressman Seiberling, testimony before the House Rules Committee, April 30, 1979.

Fact: In addition to the response to Myth No. 4, petroleum experts make it clear that the existing data base will not support such assertions. One memorandum prepared by geologists for the State of Alaska concludes:

"Thus, a statement such as '95% of the energy resources of Alaska lie outside proposed D-2 boundaries' is inaccurate, misleading, incomplete, and incorrect, unless the author has some statistically correct means of concomitantly stating how sure, or how unsure, he is of his estimate. If he cannot make this important qualification, his statement is not only meaningless, but a distortion of the truth."

Moreover, Congressman Seiberling's statement presupposes the inclusion of an adequate title relating to the transportation of energy resources. The transportation title in the Udall-Anderson bill is not nearly as good as its counterpart in other pending measures, and therefore could discourage development located far from existing transportation facilities.

Finally, it should be noted that the Udall-Anderson bill would substantially alter the system for upland oil and gas leasing in certain areas. The net effect of these changes is to create a bifurcated approval process that would probably impede future leasing. The need for such changes is questionable, particularly since the existing Mineral Leasing Act of 1920 has worked reasonably well and has frequently been amended to address environmental and other concerns.

6. Myth: "...recently the USGS made tests right next to the (Arctic National Wildlife) Range and they find that the facts on which they had extrapolated are incorrect. They have downgraded their estimates to the point where it looks like it is not even an economically viable potential..." --Congressman Seiberling, testimony before the House Rules Committee, April 30, 1979.

Fact: There has been no new testing in the Arctic Wildlife Range. The USGS report referred to by Congressman Seiberling consisted of a re-evaluation of the existing data base. The report simply indicated that the physical conditions governing oil and gas potential in the Arctic Wildlife Range are probably somewhat different than those at Prudhoe Bay. Most petroleum experts still believe that the coastal plain of the Arctic Wildlife Range is the most promising unexplored upland petroleum province on the North American continent.

7. Myth: "...You could not get any more oil (out of) Alaska if you wanted to. You would have to build another pipeline..." --Congressman Udall, testimony before the House Rules Committee, April 30, 1979.

Fact: This is simply not true. The present oil pipeline is not operating at full capacity, and could receive additional through-puts. In addition, given the lead time required for exploration and development, it is likely that the Prudhoe Bay field will be declining about the time that new discoveries would come on line.

8. Myth: "The Bill (Udall-Anderson) will expedite leasing in this Reserve (National Petroleum Reserve - Alaska) and is preferable to any alternative before the House." --Secretary Schlesinger, correspondence to Congressman Ashley, dated May 4, 1979.

Fact: While the Udall-Anderson bill does contain provisions for expediting leasing in the National Petroleum Reserve - Alaska, those provisions are actually weaker than ones included in the Breaux-Dingell bill, which was pending at the time of Secretary Schlesinger's letter. For example, in contradistinction to Breaux-Dingell, the Udall measure, as it existed at the time of Secretary Schlesinger's letter, did not mandate a deadline for leasing. On the House floor, the Udall-Anderson bill was amended to include the stronger language from Breaux-Dingell.

9. Myth: "Although it is true that some of the areas in Alaska that will be foreclosed to development have favorable geological anomalies which are potentially important for oil and gas,

the total amount of possible oil and gas acreage in Alaska for which exploration and development would be prohibited is not great." --Secretary Schlesinger, correspondence to Congressman Ashley, dated May 4, 1979.

Fact: While this statement is true, its use to support the Udall-Anderson approach is quite misleading, especially in its inference that the exploration and development of important new energy sources in Alaska would not be adversely impacted by H.R. 39. Acres of land are not barrels of oil, and as mentioned above, the Udall-Anderson bill would foreclose exploration of the most significant upland petroleum prospect in Alaska. Moreover, the foreclosed acreage lies in close proximity to the recent discoveries near Point Thompson and to the existing Trans-Alaska Pipeline.

State Lands

10. Myth: "...Mr. Udall didn't mention that in addition to the 105 million that the State has been granted to select, and they have already selected 100 of those 105 million and the argument is only about the other 5 million which they want to select into parks and so forth. The natives have gotten 44 million acres granted to them so you have a total of 149 million acres that are going to go to the inhabitants of the State..." --Congressman Seiberling, testimony before the House Rules Committee, April 30, 1979.

Fact: Of the 103.5 million acres promised to the State of Alaska some 20 years ago in the Alaska Statehood Act, the State has received effective title (patent and tentative approval) to only 36 million acres. While the State has filed selections encompassing many more millions of acres of its entitlement, much of this acreage is presently under administrative or judicial challenge by the Federal Government. If the Federal Government is successful--and we will probably not have a final answer for several years--the State will fall far short of its total entitlement, but the deadline for selection (which is 1984) will have expired. Moreover, while the location of most Native selections is not fixed, less than 9 million acres of the total Native entitlement promised in 1971 has been conveyed.

11. Myth: "We do not support the expedited conveyance language in...this bill (Huckaby) and recommend that it be deleted from the bill. Substantial policy, procedural, and administrative changes have begun to make the existing conveyance process function as it should." --Secretary Andrus, correspondence to Congressman Udall, dated March 13, 1979.

Fact: The State conveyance language included in the Huckaby bill, S.9, and the version of H.R. 39 which passed the House last year, was developed during an intensive process which

involved the direct participation of the Department of the Interior. Despite important "administrative and procedural" changes which the Department has made since then, the existing conveyance process has not yet begun to "function as it should." In late 1978, Secretary Andrus announced that the State would receive conveyance to considerable acreage during 1979. Well over half the year has passed, and the State has yet to receive a single acre.

As a consequence of problems in the administrative processing of State selections and of certain factors beyond the control of the Interior Department, Alaska has received effective title to only about 36 million of the 103.5 million acres promised some twenty years ago at statehood. The conveyance title in Huckaby would streamline the land transfer process and would effect a number of needed changes in the Alaska Statehood Act. These changes are important, and cannot be made by administrative action.

Timber Harvesting and Mining in Southeast Alaska

12. Myth: "... (Regarding Admiralty Island in Southeast Alaska)... they chop it up and make it into something called the pulp bank so pulp can continue to be shipped..." --Congressman Udall, testimony to the House Rules Committee, dated April 30, 1979.

Fact: Everyone agrees that the existing annual cut and job levels in Southeast Alaska should be maintained. The principal conflict concerns the method for accomplishing this. Under the bill reported last year by the Senate Energy Committee, a portion of Admiralty Island would be designated as a special management area and managed as wilderness for a ten-year period. If, at the end of the ten-year period, studies show that the annual cut cannot be maintained, Congress could authorize timber harvesting. If Congressmen Udall and Anderson are correct that their approach to Southeast Alaska will not reduce the annual cut or existing job levels, Admiralty Island would never be harvested under any of the pending bills.

13. Myth: "...We can produce the same amount of timber as in the past 4 or 5 years and there would be room for growth. There will not be a single job in Alaska lost in the timbering industry and there will be room for growth..." --Congressman Seiberling, testimony before the House Rules Committee, April 30, 1979.

Fact: Given the wilderness designations in the Udall-Anderson bill, both additional federal funding and State and privately-owned timber would be required to maintain the existing level of harvest. There is no guarantee of either. In fact, there is every indication that adequate appropriations would not be forthcoming. Moreover, the ten-year average

harvest, which represents a more accurate picture of the timber industry in Southeast, is significantly higher than the four-or-five-year averages used as a basis for the Udall-Anderson bill.

14. Myth: "The Udall-Anderson compromise responds to the timbering, mining, fishing, and employment issues (affecting Southeast Alaska) raised during the development of this legislation." --Secretary Berglund, correspondence to Congressman Lungren, dated May 7, 1979.

Fact: Econometric studies by the U.S. Forest Service (page 27, final EIS, Tongass Land Use Management Plan) show that Southeast Alaska's timber industry could sustain a significant loss of jobs as a result of the land designations in the Udall bill. According to some projections, unemployment in the region could exceed thirty-five percent (35%). Of the three major mineral discoveries in Southeast Alaska which have been identified by the Stanford Research Institute, two are included within wilderness areas. Thus, the U.S. Borax molybdenum find at Quartz Hill, perhaps the largest deposit of its type in the world, is located within the proposed Misty Fjords wilderness. While wilderness designation theoretically does not preclude the development of valid mining claims, experience shows that further exploration and development are usually stifled. In summary, all proponents of Alaska lands legislation advocate the establishment of large wilderness areas in Southeastern, but the designations in the Udall-Anderson bill are so excessive as to belie Secretary Berglund's statement.

15. Myth: "the Administration is committed to maintaining the timber harvest level of 450 mmbf from the National Forests in Alaska, through an increased investment of up to \$12 million annually." --Secretary Berglund, correspondence to Congressman Lungren, dated May 7, 1979.

Fact: This statement, used as evidence of a guarantee for protection of existing jobs in Southeast Alaska's timber industry, is very misleading. The Congress must appropriate the funds to make it come true. Moreover, the Administration's budget recommendations for timber programs in the national forests actually showed a reduction this year from previous years. In light of this, it is difficult to believe that Congress would increase appropriations to Alaska, especially at the apparent expense of the other western states. This conclusion has already been substantiated by the statements of one subcommittee chairman who has jurisdiction over Forest Service programs.

Mining

16. Myth: "...Are we fair on mining?...We have given them 700 years of drilling at 1,000 acres per day to open up. We say drill in

those areas first..." --Congressman Udall, testimony before the House Rules Committee, April 30, 1979.

Fact: Under the Udall-Anderson bill, 70% of the acreage rated by the Bureau of Mines as highly favorable for hardrock minerals would be permanently withdrawn from development. The total amount of acreage available for mineral development is not the critical factor--it is the location of that acreage which is important.

17. Myth: "It (the Huckaby bill) mandates the President to recommend by 1981 a program for private mineral development on parks." --Secretary Andrus, correspondence to Congressman Udall, dated March 13, 1979.

Fact: The Huckaby bill merely directs the President to make recommendations on the advisability of opening areas to development. Like other elements of the study and reporting requirements, the objective is to compile resource and policy information for use by Congress in subsequent decision-making. In fact, under all pending bills, national parks, preserves, and national park monuments are closed to mineral development unless opened by subsequent Congressional action.

Transportation

18. Myth: "(The Huckaby bill) rewrites existing law on the subject (transportation access) for Alaska. We believe existing law is adequate and the entire transportation title is unnecessary and ought to be deleted from the bill." --Secretary Andrus, correspondence to Congressman Udall, dated March 13, 1979.

Fact: While proponents of various Alaska lands bills have disagreed about the mechanics of a transportation title, every bill which has been seriously considered by the Congress during the last three years has incorporated a comprehensive title dealing with transportation and access across conservation system units. The present transportation system in Alaska is embryonic, and the conservation units which would be established through the Alaska lands legislation are immense, often isolating State and Native lands, communities, and commodity resources. Most people who have considered the issue believe that Alaska's situation is unique and that a number of problems in existing law are exacerbated by the factors mentioned above.

Hunting

19. Myth: "...We say (Udall-Anderson) 90 percent of the whole area will be open for sport hunting..." --Congressman Udall, testimony before the House Rules Committee, April 30, 1979.

Fact: This figure is entirely erroneous, whether it applies to the total land mass of Alaska (375 million acres) or only to Federal lands in Alaska. With respect to the entire State, the following lands are now, or would be, closed to public sport hunting: 44 million acres of Native lands; several million acres of existing Federal reserves such as McKinley National Park; 30 million acres designated in the Udall-Anderson bill; and certain State and private lands. If one looks only at Federal lands, the combination of existing reserved lands, together with the additional areas closed by the Udall-Anderson bill, would exceed 10 percent of such lands. In addition, several important sport hunting areas open under pending bills are closed in the Udall-Anderson proposal. Finally, with hunting, as with other resource issues, percentages and numbers of acres open to a given use are not nearly so important as the location and quality of the resource.

Alaska Native Position

20. Myth: "...and it is no coincidence that the Natives, whose interest we have carefully tried to protect in this legislation, are supporting the Udall-Anderson bill." --Congressman Seiberling, testimony before the House Rules Committee, April 30, 1979.

Fact: Alaska Natives, like any other large group of people, do not speak with one voice on this extremely complex series of issues. Certain proponents of the Udall-Anderson bill asked several of the Native corporations to abandon their long-standing neutrality regarding support of any particular bill as a quid quo pro for inclusion in the Udall-Anderson bill of amendments of particular interest to each corporation. Some corporations wrote equivocal letters endorsing legislation containing their amendments; others refused to respond to this demand. The Alaska Federation of Natives, the official spokesman for most of the Native regional corporations, has refused to endorse any particular Alaska lands bill. The State of Alaska strongly supports the Native amendments included in the Udall-Anderson and other bills considered by the House.

Specific Geographic Areas

21. Myth: "(The Huckaby bill) does not provide refuge protection for all of the Alaska Peninsula refuge proposal." --Secretary Andrus, correspondence to Congressman Udall, dated March 13, 1979.

Fact: Under the Huckaby bill, the entire Bristol Bay Region, including the Federal lands on the Alaska Peninsula, would be designated as the Bristol Bay Cooperative Region. Following a three-year cooperative study between the Federal Government and the State, a plan would be presented to both Congress and the State Legislature. During the interim period of the study, all Federal lands within the region would be managed by the U.S. Fish and Wildlife Service as a refuge. If the plan is unacceptable to Congress, all of the Federal lands on the Alaska Peninsula (and certain Federal lands elsewhere in the region) would continue to be managed "as if they were included within a refuge established under Section 302 of this Act."

22. Myth: "It (the Huckaby bill) deletes key habitat from the existing Yukon Flats National Monument, an area that every year produces 2.1 million waterfowl." --Secretary Andrus, correspondence to Congressman Udall, dated March 13, 1979.

Fact: The area deleted from the Udall-Anderson proposal for Yukon Flats is geographically different from the Yukon Flats proper, and the former area, designated as a national recreation area in the Huckaby bill, lies far beyond the prime waterfowl habitat as identified by the U.S. Fish and Wildlife Service. In the important habitat area, the Huckaby boundary is identical to the boundary in the version of H.R. 39 which passed the House of Representatives last year and which was strongly endorsed by the Carter Administration.

Summary

23. Myth: "Existing laws designed to protect the public interest in Federal lands all over the country are waived or weakened. The bill flatly prohibits any future studies or withdrawals "except those authorized by this Act" for any purpose whatsoever; it opens 20 million acres of existing National Park System land to trophy and sport hunting; it opens the currently protected, extremely fragile Arctic National Wildlife Range to oil and gas exploration; it deletes key habitat from the existing Yukon Flats National Monument, an area that every year produces 2.1 million waterfowl; it omits refuge designation, adopted by the House in 1978, for the Togiak and highly productive Alaska Peninsula area; it makes unwarranted changes in existing law so as to permit roads, pipelines, coal slurry lines, railroads, etc., through national parks and wildlife refuges and wilderness areas; and it weakens wilderness protection by providing for a variety of incompatible uses." --Secretary Andrus, correspondence to Congressman Udall, dated March 13, 1979.

Fact: This is one of the most blatant examples of hyperbole and inaccuracy expressed by some participants in the process of developing Alaska lands legislation.

None of the pending Alaska lands bills purport to waive or amend existing environmental laws of general applicability, such as the Clean Air Act, the Water Pollution Control Act, or the Solid Waste Act. The Huckaby bill, though not S.9 with one exception, does obviate the need for certain withdrawals and studies because Congress is addressing these matters within the framework of a comprehensive, multi-million acre legislative solution.

With respect to Secretary Andrus' statement regarding hunting within units of the National Park System, it must be noted that no pending bill would open to hunting those lands which were closed prior to December 1, 1978. On that date, President Carter created 56 million acres of new national monuments, many of which are closed to sport hunting. At that time, the President indicated that his actions were intended to be interim in nature, pending a final Congressional resolution. If the people's elected representatives, after balancing all of the competing concerns, determine that certain adjustments in prior unilateral administrative actions should be made, it seems that such Congressional decision-making would represent a proper working of the Federal system, and would effectuate the Carter Administration's professed intentions.

With respect to the effect of the Huckaby bill on the Arctic Wildlife Range, it should be noted that this area is not currently designated as wilderness. Therefore, upon a finding of compatibility with refuge objectives, the Secretary of the Interior, under his existing authority, could open this area to oil and gas leasing. Thus, it is the Udall-Anderson bill which would change the status quo. In contrast, certain other bills would authorize a carefully-controlled assessment of the oil and gas potential of the Arctic coastal plain, thus permitting the Congress to make an informed decision at a later date to open or close the Range to oil and gas development. In this way, the possibility of panicky and unplanned exploration during some future oil crisis can be avoided.

The "Yukon Flats National Monument" is one of the areas established last year pending Congressional action. Moreover, the key habitat areas are adequately protected in all the pending measures (see Myth No. 22, Yukon Flats, and Myth No. 21, Alaska Peninsula).

With respect to the statement on access through conservation system units, none of the pending bills change the substantive standards for approval of transportation and utility systems. In recognition of certain deficiencies in existing law and Alaska's unique geographic circumstances, most of the pending measures, including the Udall-Anderson bill, improve the process for considering and approving applications. No proposed bill would permit administrative approval of access through areas where Congressional action is required under existing law. (Also, see Myth No. 18.)

Regarding Secretary Andrus' comments on wilderness, all pending bills contain provisions which make at least some modifications in the Wilderness Act in order to address the immense acreages involved and the unique nature of the rural Alaskan lifestyle. Thus, for example, all bills would permit certain motorized activities in wilderness areas. The changes in wilderness management which are allowed by the various bills are in fact minor, in relationship to the objectives of the Wilderness Act and the magnitude of the acreage placed in Wilderness.

STEERING COUNCIL FOR ALASKA LANDS - 783

January 1979

PERSONAL SERVICES

July-December Total \$125,541.21

	<u>Salary</u>	<u>Encumbrances</u>	<u>Restrictions</u>
Sharon Long	\$4,108.54	\$2,054.27	\$5,787.33
Ed Bennett	2,683.01	1,341.51	1,339.48
Bechy Tischer	2,669.76		
Jane Losby	1,392.39	696.20	951.62
Marcella Sharrock	485.49		

January Total \$149,050.84

TRAVEL

July-December Total \$ 69,155.77

	<u>Travel</u>	<u>Per Diem</u>	<u>Encumbrances</u>
Rep. Cowper			\$ 104.42
Walter Parker		\$167.25	
Sharon Long	\$ (38.51)		314.41
Sen. Croft			(145.48)
Sen. Colletta	13.80		
Carl Jack		189.85	667.41
Sen. Orsini			349.52
Ed Bennett	140.01	87.00	311.86
Sen. Sumner		225.00	
Jane Losby			196.16

January Total \$ 71,738.47

CONTRACTUAL

July-December Total \$749,409.86

	<u>Expenditures</u>	<u>Encumbrances</u>	<u>Restrictions</u>
Municipality of Anchorage			
Long distance tolls	\$1,621.79		
Service	320.60		
Munic of Anch/AK Land News			
Feed	24.62	\$ 112.04	
Red Eye Movies		22,800.00	\$ 938.26
Suburban Land	351.20		
University of Alaska	(3,375.93)		38,481.47
Ed Bennett	75.00		

(Continued)

CONTRACTUAL (Cont)	<u>Expenditures</u>	<u>Encumbrances</u>	<u>Restrictions</u>	
Terry Thometz	\$5,670.61			
Legis Info Off (Postage)	117.29			
IBM	100.00			
Media Group		\$(32,538.23)		
Birch, Horton, Bittner, & Monroe		586.85	\$5,757.25	
Birch, Horton, Bittner, & Monroe	17,470.00		32,530.00	
H. A. Boucher			36,000.00	
Lewis Harris Poll			30,000.00	
Rowan Group			2,850.00	
R & R Depositions	116.00			
Jack Ferguson		9,317.84		
Color Art Printing	167.55			
Shimek's	55.00			
Estes Office Needs	80.00			
Xerox	230.83			
Airborne Freight	32.82			
Midnight Sun		725.40		
KJNO		508.00		
Northern TV		975.00		
Communications Marketing		1,178.10		
KATV		65.00		
Sitka AK TV		150.00		
Central AK Broadcasting		300.00		
Snow Goose		193.00		
The Type Shop/Camera Rm		61.20		
Alaska Advocate		364.00		
			January Total	<u>\$923,822.42</u>

(Continued)

STEERING COUNCIL FOR ALASKA LANDS - 783

January 1979

COMMODITIES

July-December Total \$2,810.50

	<u>Expenditures</u>	<u>Encumbrances</u>	<u>Restrictions</u>
Shimek's	\$123.72	\$ (15.98)	
Sharon Long-Petty Cash	84.36		
Airborne Freight	276.18		
Xerox	32.01		
Arctic Office	120.40		
Yukon Office	32.02		
AK Stationers	80.76		

January Total \$3,543.97

EQUIPMENT

July-December \$6,036.51

	<u>Expenditures</u>
Yukon Office	\$298.00
Shimek's	378.90

January Total \$6,713.41

BUDGET

Total Expenditures, Encumbrances,
and Restrictions

\$1,368,098.33

(1,154,869.11)

BALANCE 1/31/79

\$ 213,229.22

HISTORY OF ALASKA LANDS

	<u>BUDGET</u>	<u>EXPENDITURES</u>		<u>ENCUMBRANCES</u>	<u>BALANCE</u>
		<u>Travel</u>	<u>Per Diem</u>		
TRAVEL	\$3,450				
Ed Bennett 6/6-7		\$171.16	\$105.00		
Rep. Cowper 7/24; 9/27; 10/2		1,441.80	525.00		\$ 1,207.04
CONTRACTUAL	\$96,550				
Red Eye Movies		\$87,261.74		\$ 938.26	
Wagstaff-Middleton Municipality of Anchorage(Telephone)		1,600.00			
Midnight Sun		707.68			
KJNO		725.40			
Northern TV		508.00			
Commercial Marketing		975.00			
KATV		1,178.10			
SITKA AK TV		65.00			
Central AK Broadcasting		150.00			
Snow Goose		300.00			
The Type Shop/Camera Rm		193.00			
Alaska Advocate		61.20			
		364.00			\$ 1,522.62
TOTALS	\$100,000	\$96,332.08		\$ 938.26	\$ 2,729.66

****PLEASE NOTE****

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Description: ALASKA'S LANDS , January 15, 1979
"20 Years: Alaska Awaits Lands"
newspaper tabloid