SCOMM

#9:94

Forum participants give opinions on issues

The Alaska Public Forum conducted a two-day workshop in Anchorage a week ago where more than 500 citizens discussed six major state policy issues.

At the end of the workshop they noted their opinions on these issues in a questionnaire. The same questionnaire has been inserted in local newspapers so readers could mail their responses to the same questions.

As an early indication of public opinion on these six issues, the Public Forum staff has compiled 354 responses and has broken the results into percentages.

This survey was taken from a fairly broad cross-section of Anchorage residents. The opinions expressed are listed below:

1A. How should the permanent fund money be invested?

	Per Cent
Loan it to develop renewable resources industries	36
Save it	26
Other (most popular idea was to retire state bonds)	16
Loan it to communities	12
Loan it for industrial development	5

1B. How should the state use its new oil and gas money?

	Per Cent
Save it by increasing the permanent fund	22
Loan it to develop renewable resource industries	20
Use it for tax cuts to all Alaskans	20
Use it for more community revenue sharing and community grants	11
Other (popular idea was to retire state bonded indebtedness)	11
Loan it to communities	5
Loan it for industrial development	3
Use it for cash payments to Alaskans	3
Use it for more state services	3
Loan it to individuals	3

2. What areas of human need to you feel require most attention?

	Per Cent
Education	34
Employment	26
Alcoholism	15
Other	9
Health care	6
Care of children	5
Programs for the elderly	3
Housing	3

3. How should public school construction be financed in both the organized and unorganized boroughs?

	Per Cent
Other (popular idea was with oil and gas wealth)	36
Local property taxes throughout the state and supplemental funding where needed	25
Continue the present system which provides for land taxes plus supplemental state funding in the organized borough and 100 per cent state funding in the unorganized borough	17
100 per cent state funding through an increase in state income tax	12
100 per cent funding from a statewide sales tax	11

4. What should be the objectives for managing Alaska's land?

	Per Cent
To provide for people's needs	32
To promote renewable resource development	27
Other (popular idea was homesteading land)	20
To preserve the natural environment	11
To promote industrial growth and development	8
To raise revenues for the state	2

5. What should be the state's policy on future oil and gas lease sales?

	Per Cent
It should sell leases at a constant pace to assure a steady flow of income for a long period of time	55
Other	32
It should do no further leasing and make the best use of present income	8
It should lease when the state needs large sums of money to meet public needs	5
It should sell leases as fast as possible to bring in a lot of money immediately	2

6. What is the best use of Alaska's royalty oil and gas?

	Per Cent
Other (popular idea was use what state needs)	37
The state should provide in-state residential use of royalty oil and gas	31
The state should use its royalty oil and gas primarily for promoting industrial development in the state	21
The state should sell its royalties to make money	13

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

STATE of ALASKA

MEMORANDUM

94

TO:

Representative Clark Gruening

DATE: Jan. 31, 1978

FROM:

Nancy Blunk
Alaska Public Forum

SUBJECT: enclosed report

As per your request here is the final copy of the report on the permanent fund which was presented at the Growth Policy Council meeting on Jan. 26, 1978.

Thanks

02-001A Rev. 2-71

STATE OF THE ISSUES

PERMANENT FUND

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I. INTRODUCTION

In November 1976 Alaska voters overwhelmingly approved an amendment to Section 15, Article IX of the state constitution creating the Alaska Permanent Fund.

The amendment outlines the permanent fund in broad terms. It leaves to the legislature and the governor the task further defining the fund: what it is, what it should attempt, and how it should work.

The process of furthur defining the fund will form the basis for permanent fund legislation considered in the current legislative session.

The governor anticipated voter approval of the permanent fund amendment in August 1976, and directed the State Investment Advisory Committee to study and recommend the estimated size, investment goals, management, organization, and public interest in the permanent fund. In March 1977, two bills were introduced into the House (HB 298, HB 300) to begin debate on the structure of the permanent fund. HB 298 was the recommendation of the administration. It has remained essentially the same, with ten proposed amendments recently introduced to the legislature. (These amendments are enumerated later in this paper).

The House Special Committee on the Permanent Fund and the Senate Special Committee on the Permanent Fund were also created during the past legislative session to consider proposed permanent fund enabling legislation and to develop their own enabling legislation. Both committees have been working during the interim to determine what Alaskans see as the permanent fund's goal and how they see to best achieve those goals.

This paper handles each of the proposals in the following order: Administration, House and Senate. Initially a review is made of the basic elements of the proposal. This is followed by a discussion of the proposal in greater depth. The discussion is intended to give the Growth Policy Council a

better understanding of what the various positions are.

The following questions were asked of representatives of each committee and form the basis for the discussion of each of the positions:

First, what is the impact of your legislation on annual budgets in the future? To what extent is your legislation part of the state's overall financial picture?

Second, why do you propose the fund size as it is?

Third, what is the investment potential of your proposal for renewable resource development?

Fourth, does your proposal allow for investment in rural areas or urban areas or overall state use?

Fifth, what specific needs does your legislation respond to?

Sixth, what goals do you think can be accomplished by your proposal?

Seventh, what are the major differences between your proposal and the others?

Following the review is a Summary Chart of the legislation. The chart focuses on the following: how much money should be placed in the permanent fund; how should the fund be invested; what should be done with the earnings; how should the fund managers be made accountable to the public; what citizen participation methods were used; and what did the public say that was important?

BASIC ELEMENTS OF THE ADMINISTRATION'S PROPOSAL

HB 298 is the Administration's basic permanent fund proposal. It was submitted during the 1977 legislative session. Essentially this proposal includes three categories of investment:

a) at least 40% of the permanent fund shall be invested in investment grade securities.

b) up to 30% of the permanent fund may be invested in long-term capital needs for the private business sector.

c) up to 30% of the permanent fund may be invested in long-term needs for community development projects of municipalities and public corporations and for private dwellings in Alaska.

HB 298, as originally written, requires 50% of all eligible mineral revenues to be put into the permanent fund.

The major proposed amendments to HB 298 include:

a) increasing the contribution of the permanent fund from 50% of all bonuses to 100% of all bonuses.

b) adding goal statements for the three categories of investments (investment-grade securities; private business sector investments; and community development and private dwelling investments).

c) tying investments in communities and in the business sector to priorities set by an annual or bi-annual sectoral analysis of the state's economy.

d) allowing the permanent fund to guarantee certain investments, after approval by the state legislature.

e) limiting financial assistance on any one project to 1% of the total principal of the permanent fund.

f) adding a new section creating an Investment Oversite Committee of the legislature to monitor all investment programs of the state, including the permanent fund. This proposal is consistent with the House proposal for an Investment Oversite Committee of the legislature.

DISCUSSION OF THE ADMINISTRATION'S PROPOSAL

From the perspective of the SIAC, the voters "intended reducing the amount of state spending and the amount of funds available for the state to expand" when they voted overwhelmingly for the permanent fund referendum. To carry out this intent, the SIAC feels that the amount of revenue going into the permanent fund should be increased from the minimum 25%. A 100% level of dedication was discussed, but when the SIAC looked at revenue projections, they determined that a dedication level beyond 50% would create a situation of deficit spending. The 50% level was chosen by general consesus with a proposed amendment to add 100% of all bonuses. The administration's proposal

creates the largest permanent fund of all of the legislative proposals.

The thinking of the SIAC is in line with the governor's concern that the state is entirely too dependent on oil and gas revenues. To this end, HB 298 contemplates a diversification effort in the state's economy by providing long-term capital, where capital is either limited or non-existent. SIAC "anticipates that this capital would do the following:

a) increase employment opportunities in the state

b) increase the tax base of the state

c) hopefully reduce dependence of the state on oil and gas revenues."

SIAC does not intend there to be an implied emphasis in their legislation for either rural or urban Alaska. A proposed amendment to HB 298 does mandate, however, that a sectoral analysis be done for each sector of the state's economy. This allows the permanent fund to address those sectors that require capital. Investments in communities and in the private sector must then follow the priorities expressed in the economic analysis. It is possible that there might be a particular need identified in either rural or urban Alaska, but the legislation doesn't specify where to make the investments. SIAC perceives that most of the demand for capital for small business is in the larger communities, because small communities generally receive business loans from the state. SIAC also sees a possibility that it may not be economically feasible to make investments in rural areas.

A proposed amendment to HB 298 calls for a diversification limit of 1% of the total principle of the permanent fund to be set on any one investment. Example: given a $1.5 billion permanent fund principal in 1985, this would limit any one investment to $15 million. Under this proposed amendment, legislative approval is needed to exceed the 1% limit. The House proposal also has a smaller diversification limit of $2.5 million.

One of the capital needs defined by SIAC is for investment in private utilities, SIAC has identified. In Anchorage alone, capital requirements for utilities exceed two hundred and fifty million dollars. For electric utilities throughout the state, the SIAC feels the figure is closer to a billion and a half dollars required in the near future.

SIAC feels that the House proposal to provide capital through their development bank falls short of the demand for long-term capital needs in the state. SIAC points out that the need for utilities in Juneau alone exceed the $2.5 million limit that the House sets on any one investment.

SIAC chose to strictly interpret the constitutional amendment by disallowing subsized loans, unless approved by the legislature, with the subsidy coming from the general fund. The House proposal on the permanent fund takes this same approach.

Under HB 298, renewable resource industry development could be encouraged through community development investments (infra structures like docks, warehouses, wharf areas, roads, etc.). HB 298 also allows the ability to enhance the credit of a community through guaranteed bonds. Renewable resource industry development could also occur through private sector business loans.

SIAC believes that HB 298 would be one of the better vehicles for developing the 200-mile limit fishery. The state has a very minimal participation in the harvesting of the sea food within Alaska's 200-mile economic zone. SIAC projects that it will take substantial amounts of capital for the state to become an active participant in that harvest. The way HB 298 structures the fund would allow for maximum utilization of all the finance vehicles available.

There are several major differences between the House proposal (HB 596, 595) and the Administration proposal, (HB 298).

One of the major differences is the concept of the trust fund in the House

proposal as compared with the development investment corporation concept found in HB 298. SIAC points out that the trust fund, due to past legal definitions, does not allow any investments within the state of Alaska. The SIAC perceives that investing in Alaska, means higher risk.

Another major difference is that the House bill establishes a relatively small banking corporation within the state. For investments in municipalities and local government, SIAC perceives that the hundred million dollar limit in the House Committee's development bank concept will limit large investments in local municipal development.

A third major difference is that the House proposal provides for only 30% dedication of all eligible funds, and 100% of all bonuses. The administrations proposal provides a higher level of dedication at 50% of eligible funds, and 100% of all bonuses.

BASIC ELEMENTS OF THE HOUSE PROPOSAL

HB 595 and HB 596 together make up the House's basic permanent fund proposal. They were submitted to the legislature on January 11, 1978.

HB 595 deals solely with the use of the earnings off the permanent fund; HB 596 defines the size, objective and structure of the permanent fund.

The House Committee from their public hearings perceived a stong public demand for energy development funds. HB 595 proposes using the earnings of the fund as a guarantee for bonds issued by governmental agencies for power projects. Once the bonds are paid back, the portion of the permanent fund earnings guaranteeing the bonds would be freed and again be available for further investment. The HB 595 proposal, according to the House's financial advisors, would draw more private money at lower rates to Alaska for power projects and would not expose the fund's earnings to excessive risk. This

proposal is considered a discussion proposal by the House, designed to spark further debate in the legislature and throughout the state about what Alaskans want permanent fund earnings to accomplish.

HB 596, The House Committee's primary legislative proposal creates two corporations. The first, called the Alaska Permanent Fund Corporation (APFC) is essentially a trust fund. The Alaska Permanent Fund Corporation is an independent, non-taxable public corporation. It receives five-sixths of the permanent fund revenue until the second corporation is paid $100 million, when the APFC would receive all of the permanent fund revenue.

The general guidelines for managing the Alaska Permanent Fund Corporation are:

1) The Corporation must manage the assets prudently and maintain a reasonable diversification of investments.

2) The Corporation may not borrow money or provide loan guarantees.

3) Investments are limited to U.S. government guaranteed bonds, first mortgages and corporate stocks and bonds.

4) No more than 30% of the corporation's assets may be invested in stocks.

The second corporation, called the Alaska Enterprise Investment Corporation (AEIC) is essentially a development bank. It receives one sixth of the revenue dedicated to the permanent fund up to $100 million. When that amount has been paid into the AEIC that one-sixth reverts to the Alaska Permanent Fund Corporation.

The corporation is designed to provide financial assistance to financially sound small and medium scale, private enterprises and community development projects. In doing so it may borrow up to $100 million, provide financial guarantees and loans, and purchase up to a 25% ownership in an enterprise or project. Up to 50% of the development bank may be used to finance private enterprises; the other 50% may be used for community development projects.

All corporation investments must be made according to market rates and terms. The corporation may not give financial assistance of more than $2.5 million to any one project without legislative approval. The corporation may not use its money to replace private capital.

DISCUSSION OF THE HOUSE'S PROPOSAL

There are three basic decisions that the House made on the fund's financial goals that are reflected in their proposal. First, the main goal of the permanent fund is permanence and preservation of the principal. This dictates that investment risk be minimized, that investments be as secure as possible.

Second, fund investments must produce income. Without setting a specific level of return, the committee decided that permanent fund investment must meet market rates and terms.

Third, a portion of the permanent fund should be used for the benefit of current Alaskans, as long as that use is secure and income-producing. The second corporation created in the House proposal (AEIC) responds to this goal by providing some money to help fill capital gaps in Alaska.

In making these goal decisions, the House committee realized that it was ruling out many types of investments, including highly speculative and subsidized investments. It perceived, however, that the permanent fund is only one of the several financing vehicles in the state and that it was unnecessary and unwise, in their opinion, to try to design a permanent fund to do all things.

A major difference that currently exists between the House and

Administration proposals is the Investment Oversight Committee (I.O.C.); however, the administration has proposed the addition of this concept to their own proposal in the form of an amendment.

A second major difference is that the House primarily take a more conservative approach in terms of preservation of the principal of the permanent fund. The Administration's bill used a set of interior divisions which say that 40% of the principal will go into market rate securities; then it has a 30-30 split between community development and private enterprise. The House bill proposes that 5/6 of the total permanent fund allocation be placed into a trust fund.

A third major difference is that the House scales down the development bank part of their proposal into something that only gets an initial capitalization of one hundred million dollars, and also limits any one investment to $2.5 million.

The work of a number of consultants and advisors guided the work of the House committee in formulating their legislation. A brief summary of the consultants main points of consensus is contained below.

First, the fund is not necessarily a vehicle for financing major commercial or industrial enterprises in Alaska. If such enterprises are sound, they will receive financing from existing sources. If they are not sound, they are not proper investments for the permanent fund. In some cases, it may benefit the state to offer guarantees for financing, but such decisions are properly made through the political process.

Second, the permanent fund cannot create sound enterprises. If other factors are adverse (lack of market, product cost) permanent

fund investment will not help.

Third, financially sound small and medium scale enterprises particularly in rural areas of Alaska, might be proper permanent fund investments because they may not be receiving money from existing sources.

Fourth, permanent fund managers ought to be allowed maximum latitude for making specific investments consistent with policy direction.

Fifth, the managers ought to be accountable to the public through the legislature and governor and through public reporting requirements.

Though the House committee suggests that capital needs might be greater in rural Alaska, the language of their legislation does not specifically say rural; the exact wording is where "sufficient capital is not available from other sources on reasonable terms."

The House proposal also allows somewhat for overall state use, such as power-related projects, although the amount of money is quite small in the House proposal.

The part of the House proposal on renewable resources is fairly open-ended. It is anticipated by the House that the Renewable Resources Fund will finance exploration of new markets and products. The House is not sure, at this point, just exactly of what the demand is for renewable resources development. They in no way intend to compete with the private banking industry, and hence ask the question, "to what purpose would the state invest in fishing boats if the private banks wanted to invest in fishing boats?" Yet at the same time, their legislation is open enough that the House anticipates

that there are some existing industries that can probably get loans under the development bank. There are probably other renewable resource industries that may get started through the Renewable Resources Development Fund, and would then be picked up by other banking institutions, one of which might be the development bank in the permanent fund.

The House proposal sets the permanent fund dedication level at 30% out of "a sense of uncertainty more than anything else." In their view, the revenue projections are at best planning tools, and even this year, the state has a short-fall in revenues. If the financial situation continues along this line, any surplus could be consumed in the next year's budget. From the House perspective, if it turns out that the state has more than enough to handle future state budgets, then the dedication level can be amended at that time.

BASIC ELEMENTS OF THE SENATE PROPOSAL

SB 429 is the Senate's basic permanent fund proposal. It was introduced to the legislature on January 19, 1978.

This legislation proposes to invest 100% of the permanent fund principal in hi-grade securities and use the earnings as a guarantee for issuing revenue bonds. The proceeds of the bonds will be used to fund the Alaska Loan Programs Fund, which would expand, consolidate and administer the activities of existing state loan programs. The legislation also develops a plan for usage of the Renewable Resources Development Fund.

The senate committee recommends that the permanent fund be managed and invested by the Division of Treasury, as the "expertise

is there to do it already." They also propose a reorganization of Treasury. This is to assure accountability to the legislature.

The Treasury director would be solely accountable for investment policy and management of the general fund, the permanent fund, and all other state funds. Upon recommendation of the Commissioner of Revenue, the governor may disallow an investment strategy or policy of the Division; however, the legislature must receive notification of the rationale for such an action.

The Senate proposes to limit permanent fund investments to:

a) corporations with an 'A' or better rating,

b) only federally insured securities

c) bank certificates of deposit which are secured.

The Senate proposal provides that only 25% of eligible mineral revenues be placed in the permanent fund; it is also proposing that an additional 30% of the eligible oil and gas revenues be set aside in another fund, called the Capital Improvements Reserve Account. This reserve would be within the general fund and be used to finance non-recurring expenditures.

DISCUSSION ON SENATE PROPOSAL

The senate permanent fund legislation was introduced on January 19, 1978, as SB 429. Another bill was introduced with it and this will be referenced here as it further defines senate intent on the permanent fund. This second bill concerns itself with capital and financial planning in the state, and the senate anticipates that this proposal should have a dampening effect on the ever-increasing state operating budget. It provides that 30% of the oil and gas revenues

will be set aside in a reserve for capital improvements within the general fund and used to finance "non-recurring expenditures from non-recurring revenues." Deducting the 25% that the senate proposes for the permanent fund size, 5% for the renewable resources development fund, and 30% for the capital improvements reserve, the governor will be required to prepare a balanced budget against the remaining 40% of current receipts (less the Native Land Claims until it is paid off). The governor will also be required to perform long-range capital programming and financial planning in conjunction with this program. The senate thinks that this statutory dedication is constitutional; they do recognize, however, that it is not binding on future legislatures.

The legislation proposed by the senate dissolves the ten existing loan programs and the six independent corporations now in operation in the state, and creates the Alaska Loan Program in their place. The permanent fund legislation goes into great detail on the proposed reorganization; generally the point is to streamline the overhead, reduce bureaucracy and facilitate public entry into all the programs. The Loan Program will be within one department instead of three; interest rates charged for loans will be standardized, and depending on the cost of the revenue bonds issued, should be in the 7% range. If a reduction in interest rates is desired (as for veteran's or educational loans) the difference will come from the general fund. The senate also proposes to standardize eligibility requirements, establish better accounting and loan collection procedures, and increase maximum loan amounts to more realistically reflect current costs of living, building or doing business in the state. A cost

differential formula is added to reflect higher costs incurred in rural areas.

The senate proposal to invest 100% of the permanent fund principal in hi-grade securities adds a stringent guideline that is not contained in any of the other legislation. Investments must be made in grade 'A' or better corporations; there are probably not many grade 'A' corporations in Alaska, and this somewhat limits investments of the principal to "outside". The senate proposal also disallows investment in stocks.

The senate proposal keeps the dedication level to 25%, "because that is the level voters passed." Citizen feedback to the senate work did not suggest increasing that amount.

One of the needs identified by the senate was the insufficiency of capital in renewable resource industries. They also saw the lack of long-term money, and the lack of low interest loans. The Alaska Loan Program is the senate's answer to responding to these needs. The Loan Program is being tied to the Renewable Resources Development Fund in such a way that the RRDF could provide a 50% equity in a renewable resource business alleviating somewhat, the problem of getting large amounts of equity together. This would then make it more possible for a particular renewable resource business to get a loan under the Alaska Loan Program.

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   House Special Committee on the Permanent Fund
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   Released January 14, 1978

8. Interview with Senator George Hohman (Chairman,
   Senate Special Committee on the Permanent Fund),
   and Bob Dupere (Consultant to the Senate Committee)
   January 18, 1978

PERMANENT FUND LEGISLATION

SUMMARY CHART

	ADMINISTRATION (HB 298)	HOUSE (HB 595,596)	SENATE (SB 429)
1. How much money should be put into the permanent fund?	1. 50% of eligible money except 2. 100% of bonuses (proposed amendment to HB 298)	1. 30% of eligible money except 2. 100% of bonuses	1. 25% 2. proposes an additional 30% of eligible money in "Capital Improvements Reserve Account"
2. How should the fund be invested?	Three categories of investments: 1. minimum of 40% investment grade securities 2. up to 30% in private, business sector 3. up to 30% in community development and private dwellings Further proposed amendments to HB 298: 1. investments be coordinated with existing state loan programs 2. can be used for guarantees (with legislative approval) 3. any one project limited in size to 1% of total fund principal	Alaska Permanent Fund Corporation (APFC) 1. a trust fund 2. investments limited to U.S. government guaranteed bonds, first mortgages & corporate stocks and bonds 3. no more than 30% in stocks Alaska Enterprise Investment Corporation (AEIC) 1. a development bank 2. maximum limit of $100 for investment in financially sound small & medium private enterprises & community development 4. market rates and terms 5. any one project limited to $2.5 million	1. invest 100% of the permanent fund principal in high-grade securities 2. areas for investment limited to: a) corporations with 'A' or better rating b) federally insured securities c) secured bank certificates of deposit
3. What should be done with the earnings of the fund?	1. put earnings back into general fund	HB 595: 1. use earnings to guarantee bonds for power projects (with legislative approval) 2. return earnings to permanent fund once bonds repayed	1. use the earnings as a guarantee for issuing revenue bonds, the proceeds of which will fund the Alaska Loan Program Fund

	ADMINISTRATION (HB 298)	HOUSE (HB 595,596)	SENATE (SB 429)
4. How should the fund managers be made accountable to the public?	Proposed amendment of HB 298: 1. create an Investment Oversight Committee of the legislature to review performance of the permanent fund & all investment & loan programs of the state 2. this proposed amendment is consistent with the House's I.O.C. proposal	1. creates an Investment Oversight Committee to monitor the performance of the permanent fund, the RRDF, existing loan programs & the Revenue Dept.	1. permanent fund be managed & invested by the Division of Treasury 2. re-organizes Treasury 3. Director of Treasury soley accountable for investment policy & management of general fund, permanent fund and all other state funds 4. legislature may statutorily change investments allowable 5. governor may dis-allow an investment strategy or policy of Treasury (rationale of this action must go to legislature)
5. What public participation methods were used?	1. <u>State Investment Advisory Committee (SIAC)</u> 22 members, including legislators, commissioners, one federal appointee, and private citizens of various interests (agriculture, banking, law, timber, fishing, native, AkPIRG, investments)	1. mailing of House prelimiary report, which contained a questionnaire to be filled out and returned 2. symposium on goals of permanent fund in Anchorage (co-sponsored by Alaska Humanities Forum) 3. public hearings in Anchorage, Fairbanks, Kotzebue & Juneau 4. Participation with the Alaska Public Forum in its questions on permanent fund	1. public opinion polls (Dittman for the Senate Committee, Dec., 1977; Rowan Group Report for Office of Governor, July, 1977; and the Alaska Public Forum Report, March 1977) 2. mailing of questionnaires to individuals in rural Alaska and the Alaska State Chamber of Commerce members

	ADMINISTRATION (HB 298)	HOUSE (HB 595,596)	SENATE (SB 429)
5. What did you hear the public say?	SIAC perceived: 1. strong intention on part of voters to reduce state spending 2. concurrent desire to reduce amount of funds available for state to expand 3. large needs for long-term capital throughout Alaska, in both private sector and in communities	Public made two main points on how it wanted state to assist in shaping the future Alaska 1. provide sufficient funds for development of renewable resources 2. provide funds for alternated energy development Several other points emerged: 1. principal of fund should be preserved 2. where there are sound investments in Alaska, fund should make them without duplicating financial services already available 3. earnings should be used for benefit of current and future Alaskans 4. fund management should be insulated from politics but should be accountable to public	Various priorities surfaced in Senate work: 1. shortage of capital for businesses and for purchase and construction of housing 2. development of renewable resources (including timber, agriculture, fishing) is high priority 3. community development received support 4. respondents strongly urged fund principal be invested in hi-grade securities, thus maintaining the integrity for future generations

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED AS A UNIT IN THE ORIGINAL DOCUMENT.

FORM 02-001BC
FOR BRIEF COMMUNICATIONS
MAY BE HANDWRITTEN

MEMORANDUM

State of Alaska

DEPT. Office of the Governor
DIV. Alaska Growth Policy Council
SEC. Alaska Public Forum

TO: Growth Policy Council

DATE : June 27, 1977

FROM: Barry Quinn
Executive Director

SUBJECT: Information

I have enclosed a copy of the "list of issues" for next year that Tim and Nan identified from the Halibut Cove meeting. The list will be a topic of discussion at our next Oversight Committee meeting as well as the July Council meeting.

I have also included a memo from Nan that is intended to get us thinking about the important task of developing the questions for next year's Public Forum program. The memo is based on a review of Mike McManus' critiques of both the questions as they were being developed this year and the mid-year report.

STATE of ALASKA

MEMORANDUM

ALASKA GROWTH POLICY COUNCIL
ALASKA PUBLIC FORUM

TO: Barry Quinn
Executive Director
Alaska Growth Policy Council

DATE: June 27, 1977

FILE NO:

TELEPHONE NO: 276-5262

FROM: Nan Elliot NE

SUBJECT: Framing Questions for the New Issues

In developing new issues for this fall, it might be helpful to review some of the insights provided by Mike McManus over the past year.

He outlines some basic criteria for framing questions which hopefully will provide the end result of useful information and points out some of the sandtraps he encountered in his own program. As he admitted in an August, 1976 memo, "This perspective is based on some painful experience in directing 'Choices For '76', a comparable project which framed 50 public policy choices for citizen debate and balloting in New York in 1973, and in similar work in a half a dozen other cities".

The August memo stresses:

1. Look for questions which ultimately pose clashes of fundamental values....questions where there is no clear right or wrong.

2. Avoid motherhood questions.

3. Avoid questions which can be answered in a survey or poll, without acquiring any new knowledge.

4. In drafting the questions, use as few words as possible without losing the core ideas. Make the options stand out clearly.

5. Be careful not to overwhelm audience with long lists of options for each question. Tailor the choices so that you have no more than 4 to 6. Eliminate options which require technical expertise.

6. Pose only real choices; those on which reasonable people with differing values might disagree.

7. Work on sequencing the questions so that one flows naturally into the next.

8. Involve a wide cross-section of people reviewing the questions and the background information provided to help answer them. This consultation step is very important to maintain objectivity; to provide questions and choices which are understandable to the lay person; and to assure that no essential options are ommitted.

In a more recent memo (June), McManus offers a constructive critique of our first year's program. Although the GPC and staff recog nized as the year progressed, some of the difficulties and limitations of the questions we took to the public, it is interesting to see it mapped out by a relatively impartial observer 5,000 miles away.

I include the excerpt from his memo titled "Simplifying the Choices".

Simplifying the Choices

Another improvement in the program you should strive for is a vast simplification of the questions asked of the public. A couple of this year's questions were so bad that you rewrote them in the middle of the project. Evdn with that improvement, I saw these problems:

1. The first question was divided into parts that sounded much the same, and even had some of the same options. You asked how the Permanent Fund should be invested in one question, and offered options of loaning it; then you asked what should be does with new oil and gas money, and offered the same "loan" options. Both also had "save it" options. Utterly confusing.

2. That same qestion had 16 options——many too many. Here is one way it x could have been simplified:

   A. How should Alaska use its new oil and gas money:

      1. Cut taxes

      2. Increase the size of the Permanent Fund

      3. Make cash payments to Alaskans

      4. Increase government spending

   B. How should the Permanent Fund be invested?

      1. Outside the state to get the highest interest rates

      2. Loan it at low interest rates to stimulate development of Alaska's renewable resource industries

      3. Loan it for industrial development at low rates

      4. Loan to communities for public investments at low rates

   Note that the broader question is asked first, on what should be done with the big pot on money. The second question then deals with a narrower aspect of the issue, how to invest the Permanent Fund—whether at high interest rates out of the state or low within, and if within, in which direction. All loan options are removed from the first question, since I assume loans would come from the Permanent Fund. The vague phrase "save it" it eliminated. So is the option "all of the above." This option tells the state nothing. Certainly, the state will probably invest in "all of the above" in any case. But what you want to know x is what specific types of investment people most want. Perhaps the investments can be made roughly in proportion to the advice of the public.

3. The question, "What human needs do you think are most important" is fairly meaningless. Do you mean, "Which problems ought to have an increase in government spending?" If so, what do you plan to do to increase employment? In general, a choice x should pose a clear-cut set of options on what government might do to solve x or ameliorate a given problem. On that ground, I'd eliminate a question like this.

4. The question on public school construction is a finance issue, and therefore should have followed the first choice, to which it is related. Actually, upon reflection, it should have been choice three, with the oil leasing question choice two, since it relates to oil and to finances. There should be some logical sequencing of the questions, so that thinking through one issue helps the citizen think through the next question.

   Clearly, one of the options that ought to have been included is the use of oil revenues to finance school construction.

   I assume that the Governor has given up on trying to sell a sales tax; if so, that is a "result" that ought to be reported.

   I must say that I am confused why you have one question which asks whether oil revenues ought to be used to cut taxes, and then you have a question in which you suggest <u>increasing</u> taxes, but don't suggest using oil revenues to meet this need.

5. The land question was also not a question posing a clear set of alternatives. You could have a 100,000-fold increase in the land allocated to industrial development plus a 100,000 fold increase in land available for personal use, plus all of the other options. Let's face it, there is going to be so little demand for the use of land for industry in a state thousands of miles from any population centers, that the option is not worth talking about as far as I can see. Your option of providing land "for public needs" is not at all clear, as the citizens told you. Apparently, judging from the text of the supplement, you were talking mainly of providing land for homesteading, not for recreation. Here is how a clearer question might have been framed:

   > What should be the <u>primary</u> use of land owned by state:when there are conflicting possible uses:
   >
   > 1. Recreation
   > 2. Homesteading
   > 3. Developing forestry,and farming--renewable resource industries
   > 4. Mineral development

6. The oil leasing question is clear and poses an excellent value judgment question for citizen debate and balloting. The question on royalty gas is also excellent.

These specific comments may illustrate some basic principles in framing choices for citizen debate and balloting:

1. Value judgment questions---the most controversial issues on which there is no "right" or "wrong" answer---are the kinds of questions that should be asked. This is one goal you have met across the board.

2. Relatively few and distinctly different options should be posed,

rather than long lists, a goal achieved in the leasing and royalty choices.

3. The choices should ask the citizen what he or she thinks government ought to do about something; it should pose a real and genuine choice facing the Governor and the legislature. It should not simply ask a citizen whether he thinks education is more important than a job or alcoholism. Obviously, all are important. A person 15 will think education is more important than a wage earner concerned about his job. But getting data from such a question does not help government make any decisions.

4. Vague words, which mean different things to different people, should be avoided. Clarity, simplicity, are all important.

5. Biased wording should be avoided, and was not present in any of these questions.

These principles are easier to state than to achieve. The basic requirement needed to get good questions is constant scrutiny by very diverse people and rewriting over and over. Do not feel that citizens can't perform this task—

NOTES ON ISSUES FOR NEXT YEAR: Conversations from Halibut Cove meeting.

Governor:

1. Money management
2. Growth management
3. D2 issue
4. Regional Board concept - Unorganized borough - reapportionment

Agencies:

Fish and Game: Subsistence
C&RA: Unorganized borough
H&SS: Early warning system for health problems (make agencies more sensitive to problems); alternative living situations for elderly.

General Cabinet Discussion:

1. Employment (state's responsibility to provide or stimulate employment)
2. Alcoholism
3. Satellite Board Issue
4. Transportation (state vs. local government responsibility)
5. State land selection and disposal.
6. Reapportionment

Council Members:

Lowell: Wealth management, renewable resources industries (definition), limiting state expenditures.

Dave: Growth management (state's role), renewable resources management.

Herb: Unorganized borough, Satellite Board concept, state land planning, D-2 lands.

Leonard: Wealth management, growth management, delivery of government services.

Diana: Wealth management, resource development and land use planning.

Mark: Wealth management, renewable resources management, growth management and quality of life.

Frank: Money, growth, resource, social service and government management.

Tim: Money management, growth management, regional political problems, government service delivery.

Harold: Money issues.

Lidia: Land management, education.

Following are major issues by broad subject groupings, with other specific issues following:

Major issues:

1. Wealth management. (All agreed)

2. Growth management (Governor mentioned, Dave, Leonard, Mark, Frank, Tim).

3. Regional political relations and government organization (Governor, Herb, Tim)

4. Government service delivery: (Governor, Lowell, Herb, Leonard, Frank, Tim).

   Into this category might fit Satellite Board concept, government subsidy issue, limiting state expenditures, service-delivery problems mentioned by H&SS, etc., state role in employment.

5. Land and resources management: (Governor, Diana, Herb, Dave, Lidia, Frank, Mark).

   Into this category would fit land disposal policy, renewable resources policy, land planning, etc.

Other issues raised:

a. Subsistence (Fish and Game)

b. Alcoholism (Cabinet meeting) Question: Does this mean public support for tax?

Should The North Slope Haul Road Eventually Be Open To Everyone As Part Of The Alaska Highway System?

The Alaskan Advocates
Alaska Public Forum
429 D Street
Anchorage, Alaska 99501

SHOULD THE NORTH SLOPE HAUL ROAD EVENTUALLY
BE OPEN TO EVERYONE AS PART OF THE ALASKA HIGHWAY SYSTEM?

Participants: Advocate Allen McGrath (pro)

- Larry Venable
  Executive Director
  Alaska Carriers Association

- Chuck Herbert
  Former Alaska Commissioner Natural Resources

Advocate Hugh Fleischer (con)

- Roosevelt Paneak
  Resident of Anaktuvuk Pass; Chairman
  of the North Slope Borough Planning and
  Zoning Commission

- Dr. David Klein
  Division of Life Sciences
  University of Alaska

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Rev. Mark Boesser
John Borbridge
Tim Bradner
David Klein
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Harold Pomeroy
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McCONNELL: Ladies and gentlemen, may I have you attention, please? And welcome everyone to the first Alaskan Advocates Program.

Two trial lawyers and their witnesses are about to debate the long-range future of the North Slope Haul Road and the development of Northern Alaska.

On trial is this question: Should the North Slope Haul Road eventually be open to everyone as part of the Alaska State Highway system?

Advocate Allen McGrath says, "Yes." Mr. McGrath.

McGRATH: The Alaska Arctic Road was constructed as a public highway on the mandate of the Alaska State Legislature. It should remain open for public use on a basis regulated for the safety of the public and for the protection of the environment. And in support of those positions I have with me today Mr. Larry Venable, who is the Executive Director of the Alaska Carriers Association, and Mr. Chuck Herbert, who is the former Commissioner of Natural Resources for the State of Alaska and long-time Alaskan miner and geologist.

McCONNELL: Thank you, Mr. McGrath.

Advocate Hugh Fleischer says, "No," Mr. Fleischer.

FLEISCHER: The decision has not been taken away from us. It is ours. And it is our position that the opening of this Haul Road to unlimited access is against the best interest of the land, of the people of the north, the game and every taxpayer in Alaska. With me to support this position are Roosevelt Paneak, a native leader from Anaktuvuk Pass and Dr. David Klein, Professor in the Division of Life Sciences at the University of Alaska, Fairbanks.

McCONNELL: Thank you, gentlemen.

We should note you both will have opportunities, of course, to cross-examine each other's witnesses.

By way of introduction, Mr. McGrath and Mr. Fleischer are both experienced courtroom attorneys from Anchorage. Both are long-term Anchorage residents. And, of course, they have the responsibility here to represent their position to the utmost of their abilities, and I am sure they will. Thank you both for being our first Alaskan Advocates. As Moderator my job is to remain impartial, and to make sure the debate is fair and square and that both advocates get equal time. And to keep an exact record of the proceedings is our Stenotypist Jane Law, L-a-w, which I think under the circumstances is an appropriate name.

Before getting to the heart of the debate, let me give a few words of background about this program. The Alaskan Advocates is a special project of the Alaska Public Forum. The Public Forum exists to stimulate open public discussion about critical

issues facing the State, to expose the people of Alaska to all sides of important arguments about the issues, and to help involve the public in actually shaping State policies to address these issues. The Alaska Growth Policy Council is the board of directors for the Public Forum. And I see in our studio audience Harold Pomeroy from Kenai who is a member of the Growth Policy Council. And also David Klein, one of Hugh Fleischer's witnesses is also a member of the Growth Policy Council. The Council was established by Governor Hammond. And before we preceed with the trial, let's hear a brief message from the Governor.

(Recorded message from Governor Hammond.)

McCONNELL: Thank you, Governor. Now, let me give some background information on the question to be debated. In accordance with construction agreements with the State of Alaska, the North Slope Haul Road was built to secondary highway standards by the Alyeska Pipeline Company in 1974. Since then, the road has been used primarily by Alyeska in support of construction activities on the Alaska pipeline. Upon completion of the pipeline the ownership of the road will revert to the State of Alaska. Facing the State then, is the two-part question, who will it permit to use the road, and for what purposes.

Twenty-eight feet wide and three hundred sixty miles long, the North Slope Haul Road runs from the Yukon River to Purdhoe Bay on the Artic Ocean. It is Alaska's only ground connection to the land north of the Arctic Circle, the vast and dramatic land of the Brooks Range and the North Slope: a land rich in natural resources and the beauties of wildlife and wilderness. Home for thousands of years to Indian and Eskimo people. It is Alaska's last frontier and awaits our decision about what to do about it. The future use of the North Slope Haul Road is an important key to what the future of Northern Alaska and, hence, the entire State will be. Some argue the road should be opened for general use by miners, tour bus operators, private motorists and others, like every other road in the Alaska Highway system. Others argue that the road should be closed permanently to all but those needing it to carry on essential existing activities.

In an interim measure Governor Jay Hammond announced in a statewide radio address on September 8, 1976 that the State will restrict the immediate use of the Haul Road to industrial activities which support pipeline construction and maintenance. He wants more time for Alaskans to evaluate the cost and the benefits of the various options for the long-range use of the road. Thus, the eventual long-range use of the Haul Road is still unresolved. It will remain a significant matter for public consideration and decision in the months ahead. And it is the subject before the Alaskan Advocates. So now to the cases. And Mr. McGrath, the floor is yours.

McGRATH: The present Alaska Attorney General has recently put forth his opinion establishing the fact that the highway that will be turned over to the State is a public highway, and therefore must remain open to the general public. We as members of the

public applaud that decision. We believe that lying ahead of us as individuals in this community and in this State of Alaska lies a tremendous personal experience in having contact with one of the most awesomely beautiful parts of our planet, namely, the Arctic region of Alaska. We do not advocate that this highway opened for the public would be open on a totally unrestristed basis. Reasonable restrictions should be called for to insure the safety of the public and the safety of the environment. And we believe those restrictions can be promulgated and can be enforced.

What we do oppose, we oppose those people who would conceive of the members of the Alaska public and American public as being somehow or another polluters by nature, who must be kept segregated from this great, beautiful area because of their natural tendency to destroy. We oppose those members of the community who would restrict the Arctic experience solely to a group of people who have the wealth and sufficient leisure in order to be able to afford the access, the expensive access, the only accesses that are available today. We also oppose the lock-up of this Arctic region our Arctic region, by a group of people because we believe that today, and we know from the Attorney General's opinion, that in order to create this lock-up by closing down this public highway we must immediately pay large sums of money, in the neighborhood of one hundred million dollars to the Federal Government and to the Alyeska Pipeline Company to repay them for monies they expended based on the promises that the people of Alaska made to those two entities. We also believe by locking up the Arctic right now we are going to frustrate our normal economic development to the future detriment of us all. I would like to call Mr. Larry Ven ble.

McCONNELL: Welcome, Mr. Venable, to the Alaskan Advocates.

McGRATH: Mr. Venable, you are Director of the Carriers Association, the Alaska Carriers Association, correct?

VENABLE: That's correct, sir.

McGRATH: Prior to taking that position -- and I believe you have been there for how long?

VENABLE: Just for a comparatively few months.

McGRATH: And prior to that time what was your professional position?

VENABLE: For many years I was the Western Regional Director for the National Highway Users Federation, dealing on problems affecting highway safety, urban transportation, highway planning and programming.

McGRATH: Can you give us an idea of the role that the Alaska Carriers play in the enrichment of the Alaska economy?

VENABLE: Yes. We think it's quite an important factor. Our revenues of freight bills for example in Alaska are about four hundred million dollars a year; our payroll is over two hundred million

dollars, and of that some fifty million dollars is being expended in the Fairbanks area. Therefore, it is a rather substantial economic contribution. And this is without figuring the accessorial services that surround the transportation industry.

McGRATH: In a report written for the State of Alaska to the Commissioner of the Department of Highways, Mr. Motley, who is the Commissioner of the Department of Commerce and Economic Development on January 20th of 1976 wrote the following: "It is this Department's position that the Haul Road will be a vital and necessary transportation corridor for at least the next 10 years." Do you agree with Commissioner Motley in that contention?

VENABLE: Well, most certainly. We have done considerable research and study with the users and potential users of the area. The projections we get based on these are some 500 truckloads per month after Alyeska is closed down. In other words, the need for goods and services in the area will be some 500 truckloads. The average salary of a driver from Fairbanks to Prudhoe and return is $1200. Therefore, we are looking at a payroll in Fairbanks of $600,000 a month, again, without any other accessorial services.

McGRATH: You said it will be available or needed, the Haul Road for the next 10 years. I believe British Petroleum has projected that the use will be needed for 15 years. What will be going on up there that will require this transportation link by surface?

VENABLE: As we understand this, and in talking up there on the Slope, I have been there and driven it, Prudhoe for example will be a city and community of people and schools and stores. It is not going to be a barracks-type community. It will be people with homes and apartments. And, therefore, there will be that need as well as the industrial needs, the development of more of the oil resources that bring the State their billion of dollars of revenue.

McGRATH: Have they any contact other than this by surface of the Haul Road?

VENABLE: Yes, the seasonal once a year sealift and also there is air, but these are not viable options at all times.

McCONNELL: One last question.

McGRATH: Let me ask you this: The question of the environmental protection. This road running to the North Slope, will it do tremendous damage or damage to the environment there?

VENABLE: Well, let's look at it this way --

McCONNELL: And a quick answer, too.

VENABLE: There are some 240,000 or over square miles of area up there untouched, with no roads. We are talking in terms of 350 miles of road. And let's look at the State of Texas. That is 260,000 miles. And imagine what that State would be like with only 350 miles of road. The impact is so minimal it is hardly

debatable.

McCONNELL: All right, thank you, Mr. McGrath. Your witness, Mr. Fleischer.

FLEISCHER: Mr. Venable, you just said that you thought the impact would be minimal based upon your comparison with Texas. Have you compared the nature of the environment of Texas with that of the North Slope? Do you realize what kind of damage can be rendered to the tundra and to the game of the Arctic as compared with the game that you might find in West Texas?

VENABLE: Yes, I am aware of the difference in the environment most certainly, Mr. Fleischer. Yes.

FLEISCHER: And you realize there is a substantial difference, do you not, sir?

VENABLE: There is, but again the problem we face is people and the use by people. And I do not think that this is a difficult problem regardless of the environment. It can be controlled.

FLEISCHER: You do know, as a matter of fact, do you not, Mr. Venable, the problem has not in fact been controlled up to this point, in other regions of the State; do you know that to be the case?

VENABLE: It's rather difficult to say yes or no to a question like that, Counsellor.

FLEISCHER: Well, let me just ask you this, Mr. Venable: If you know as is the fact in the Game Management 14-C, which is the Game Management Unit closest to Anchorage, that there were more illegal moose taken last year than there were legal moose. Do you feel that is some evidence of the difficulty of controlling such matters?

VENABLE: Counsellor, that's an enforcement problem, which really is not the problem up th[illegible]. We can impose restraints, we can have a checkpoint on the road. There are many things that can be done.

FLEISCHER: There are no such checkpoints now on any road that you know of that restrict actual use of off-road vehicles?

VENABLE: Yes, on that road there are right now.

FLEISCHER: Right now it is not a public highway, correct? In the course of developing your statistics as to truckloads, I assume you figured in your evaluation if ripe, mature timber is available to be trucked on that road?

VENABLE: Those are not included. No, sir.

FLEISCHER: Not included? You did state in a previous statement that you figured that was one of the reasons why the Haul Road should be opened to the public, is that correct?

VENABLE: This is a resource potential, most certainly.

FLEISCHER: You do realize the Division of Natural Resources, which of course has responsibility for timber, has specifically said they feel it has no potential for economic benefit; that is, timber in the foreseeable future. Do you know that, sir?

VENABLE: Well, the statement was made in Fairbanks by other analysts, that is. Whose decision does one accept?

FLEISCHER: With respect to the cost for maintaining this road, you have seen the estimates from the State of Alaska, and realize that for the first year the State of Alaska has said it will cost the State $27.6 million to maintain that road, and to otherwise establish the necessary services; did you know that, sir?

VENABLE: Mr. Fleischer, that is one of many figures that has been circulated. However, let me point out that this is no more a subsidy or cost than education or policing is a cost. We have to consider the cost of the State by the benefits that are returned to the public through use and through the economics, so--

FLEISCHER: There are going to be substantial benefits to the truckers, are there not, sir, in having this road maintained by we, the taxpayers?

VENABLE: Mr. Fleischer, our case is for the people, and the right of the people to use this, not just from a selfish economic consideration.

FLEISCHER: Although it will have that effect as well, correct, sir?

VENABLE: Fifty percent of the people in this State are Government employees. This is something that leaves the private sector to carry the rest of that burden. Contrary to 20 percent in other states. We feel that private industry must be developed, and am certainly not apologizing for it.

FLEISCHER: Isn't it a fact, Mr. Venable, that the trucking industry could bear the cost of maintenance as you have estimated it as opposed to having that burden laid on the general taxpayers?

VENABLE: It would not be the trucking industry. It would be the consumer bearing the cost, Mr. Fleischer.

FLEISCHER: The trucking industry could do it and then pass it on to the consumer?

VENABLE: They would have no alternative.

McCONNELL: One final question, Mr. Fleischer.

FLEISCHER: You know that it is a fact, Mr. Venable, that the trucking industry did at one time propose that it pay the cost of construction the Haul Road to the north?

VENABLE: That was at one time. That is correct.

FLEISCHER: So there is no reason why they couldn't maintain those costs today, correct?

VENABLE: Not with a review of the cost. It would be somewhat difficult.

McCONNELL: Thank you, Mr. Fleischer. Mr. Venable, thank you for being with the Alaskan Advocates. Mr. McGrath your next witness?

McGRATH: Yes. We will call Mr. Herbert.

McCONNELL: Mr Herbert, welcome to the Alaskan Advocates.

McGRATH: Mr. Herbert, you have spent a good deal of time up in the Arctic, haven't you?

HERBERT: Well, in the Brooks Range.

McGRATH: What was the reason, and for how long a period have you been associated with that part of the world?

HERBERT: I first went up there about 38 years ago. And I have been in and out of there a number of times, most particularly within the last two or three years.

McGRATH: What was the reason for your involvement in that part of the world?

HERBERT: Well, first of all, I love the country, and it is a good place to go look for a mine.

McGRATH: You are a miner and geologist, are you not?

HERBERT: That's right.

McGRATH: And, I believe, you were also at one time the Commissioner of Natural Resources for the State of Alaska?

HERBERT: That's correct.

McGRATH: And you were the Commissioner at the time the State entered into various agreements with Alyeska and with the Federal Government to build this highway, were you not?

HERBERT: Yes.

McGRATH: Mr. Parker, who was the former Commissioner of the Department of Highways, when he was a member of the Department of Highways, or Commissioner, wrote to the Federal Highway Administrator in regard to the cost that the State may have to pay back: "The State of Alaska has never contended that the Yukon River Bridge would not be open to the public. The $24 million of Federal aid funds which were committed to this bridge make this position self-evident and not truly subject to debate." Now, I believe, actually $24 million by the Federal Government went in, but the total cost of the bridge was more in the neighborhood of $40 million, is that right?

HERBERT: That's my understanding.

McGRATH: Now, would you state how did we get ourselves involved with the Federal Government, we, being the people of the State of Alaska, and with Alyeska?

HERBERT: Well, first of all, Alyeska had no intention of building a finished highway when they first applied to the Federal Government for a permit. And then, when the conservationist managed to get an injunction against the issue and set up a Haul Road permit, the State then in the administration of Governor Miller, the Legislature adopted, I think it was, AS-1940, which has already been mentioned as the enabling act to permit the State to build that road and to acquire a permit. Now, in the Egan administration which followed, further argument was made with the contract that had been entered into under Governor Miller. It was decided then between the two parties to build the bridge across the Yukon River and to upgrade the road by reducing grades and curvatures here and there to make a very good secondary road.

McGRATH: Do you have an idea how much Alyeska paid as a result of these agreements?

HERBERT: That's a very difficult thing to estimate. My own figure -- and I would say from my own experience of building roads in various places in Alaska, the cost must have gone up at least 30 percent excluding the cost of the bridge.

McGRATH: I believe the figure that has been published by Alyeska is that the road cost a total of $250 million to construct. Therefore, do we understand your testimony that it was $70 or $80 million more than Alyeska paid?

HERBERT: I would say so.

McGRATH: Now, as a result of paying that 70 or 80 million dollars more what is Alyeska to get under the agreement with the State?

HERBERT: My understanding is that the agreement is to turn the road over to the State and the State maintains it.

McGRATH: Now, with the Federal Government -- how much has the Federal Government put into this in order to make it a secondary highway?

HERBERT: Well, without going into great detail, first of all the major item -- when you mentioned the $24 million and the bridge somewheres near a million and a half or so has been spent on surveillance during road construction, and the free gravel is estimated at a value of between three and five million dollars, making a total of somewhere around 30 million.

McGRATH: So we have therefore in excess of $100 million that has been paid on the assumption that Alyeska would operate this highway as a public highway, is that correct?

HERBERT: It would seem that way to me.

McGRATH: Mr. Motley has written in the same report I quoted before, to the Governor's office, "The roadway transverses an area of geological potential for hard mineral currently unexplored. This is certainly to become more attractive in view of rapidly developing national shortages and domestic production capacity for mineral raw materials." Do you agree with Mr. Motley's, Commissioner Motley's assessment?

HERBERT: I most certainly do. He is drawing attention to the growing mineral shortages that can be very serious in a few years, I believe. And also he is quite correct that geologically the Brooks Range is very, very favorable. And as a matter of fact, if we can use dollars as a measure of something really needed for this country, already around $4 billion worth of metal has been developed by drilling.

McGRATH: Another Commissioner, the present Commissioner of the Department of Fish and Game, wrote to the office of the Governor in October of 1975, "We are most concerned, not with the road itself, but with possible unrestricted use of off-highway vehicles, aircraft, snow machines and equipment, et cetera, from the road. In summary, a road opened on a restrictive basis with a special restrictive rule with regard to lining the road with vehicles, might prove significant public benefit in regard to fish and wildlife resources at an acceptable environmental cost." Do you know Commissioner Brooks?

HERBERT: Oh, I most certainly do. Dr. Brooks is a well recognized authority on the Arctic and its wildlife.

McCONNELL: Mr. McGrath, I will have to call you to a halt on that, and bring forth Mr. Fleischer on cross-examination. Thank you very much.

FLEISCHER: That opinion you were just referring to was, of course, approximately a year ago, is that right, Mr. Herbert; that is Dr. Brook's statement?

HERBERT: I believe so.

FLEISCHER: And, of course, he didn't have the benefit of the knowledge we now have about the crashing of the caribou herd, which of course has been a subject of a good deal of discussion in recent days; is that right?

HERBERT: No, I don't think so. I think that had been pretty well forcast, and have been warnings on that for some time. I don't think the figure of 52,000 was ever kicked around, but went down from 250 to 100.

FLEISCHER: Certainly was not. He also pointed out that there were, of course, some severe questions insofar as the danger to game; the wildlife and land that were going to have to be looked at and studied, which study we haven't seen yet; isn't that correct?

HERBERT: It might have done --

FLEISCHER: With respect to the mining potential of the area, you have had a good deal of experience in this area, haven't you, Mr. Herbert?

HERBERT: Yes, sir.

FLEISCHER: You also know, of course, that the State's present administration is looking at the question of mining potential, or any other questions relating to the Haul Road? Are you familiar with the fact that the Chief Geologist has specifically stated he feels that there is no economic potential for trucking of minerals at this time using the Haul Road?

HERBERT: Which Chief Geologist is that?

FLEISCHER: Mr. Shaff, the present Chief Geologist.

HERBERT: I haven't read that statement. It all depends on what property he is talking about.

FLEISCHER: Are you familiar with the studies that were run by the University of Alaska, Mr. Wolf and others, in which a decision was made, or a study was made, of the difference between aircraft as opposed to using the Haul Road for extracting minerals and the determination that aircraft was very competitive, if not better than the Haul Road?

HERBERT: I am familiar and I thoroughly disagree, not on the grounds of just dollars, but the fact that the petroleum resources of the world are very definitely limited. And to use aircraft where using a hundred and twenty times as much fuel as you would say on a railroad and around 40 times as much as you would on a highway, it is just wrong, and I can't be convinced it is correct.

FLEISCHER: You do know that there is substantial question even among the miners themselves as to whether they would be interested in using a road or, perhaps, the Bering Sea or some other alternative?

HERBERT: I am well aware of that.

FLEISCHER: Now, with respect to the cost factors insofar as maintenance of this road, Mr. Herbert, you are familiar with the fact that there have been a substantial number of failures among roadhouses along highways in Alaska; are you not? Isn't it reasonable then, sir, to believe that this road is going to necessarily have to be supported by State tax dollars in terms of basic facilities and accommodations as well as all the other services that are normally furnished?

HERBERT: Well, I would hope not -- I don't like to see the State support private industry in that particular regard. If the roadhouses will not maintain themselves, well, then, of course, people will have to go without them. But the Department of Highways a

few years ago did make quite a study on that question. I don't have it, and have not read it recently. All I know is that it is in existence, and they were considering at that time reserving -- in fact, rather detailed plans were drawn to reserve certain of the development portions along the highway for lease for not only maintenance, but for tourist services.

FLEISCHER: You know that Mr. Motley in the same report you referred to as well as the Department of Natural Resources, as well as other departments, have raised very serious questions about the economic possibilities for private enterprise on such a road as the Haul Road, do you not?

HERBERT: Yes.

FLEISCHER: You know those questions have been raised. Further, Mr. Herbert, going back to the history of the enactment of the enabling legislation, as you have described it, the Governor, then Governor Miller, made a request of the Legislature to appropriate State money to build that road, and he was turned down flat by the Legislature? You know that as well, do you not, sir?

HERBERT: Yes.

FLEISCHER: There is some serious question of just how much State support there was for the road at that point. Let me ask you further, is it not a fact that when the Pipeline Act was being considered and enacted that that was the focus -- that was the focal point of all the discussions, the pipeline and oil rather than this road? Isn't that true?

HERBERT: Are you referring to the Act that passed the Congress?

FLEISCHER: I am, yes.

HERBERT: Yes.

FLEISCHER: Thank you. I have no further questions.

McCONNELL: Thank you, Mr. Fleischer. Thank you, Mr. Herbert. For those of you who may be joining us late, the Alaskan Advocates is coming to you from the studios of KAKM in Anchorage. Advocate Allen McGrath and his witnesses have just presented their case that the North Slope Haul Road should eventually in the long run be open to everyone as part of the Alaska State Highway System. And now for the case against, and Advocate Hugh Fleischer, the floor is yours.

FLEISCHER: Thank you. Those who are against this Haul Road take the position that, first of all, the Attorney General's opinion, as referred to by Mr. McGrath, failed to recognize certain necessary considerations: the National Environmental Policy Act, the National Highway Act, the platting authority of the various governmental entities in the State. Further, however, and even if we were wrong on that point, we feel that if the State had to pay back every cent of money that had been expended on this road, that we would be in far better economic shape than having to maintain

the outrageous costly road for the foreseeable future. We are going to show that the road is going to have a detrimental effect on the land, on the people, on the wildlife and on our tax dollars. And in doing that, I would first like to call as my first witness, Roosevelt Paneak from Anaktuvuk Pass.

McCONNELL: Mr. Paneak, welcome to the Alaskan Advocates.

FLEISCHER: Your name is Roosevelt Paneak, correct, sir?

PANEAK: Correct.

FLEISCHER: And you live in Anaktuvuk Pass?

PANEAK: Yes, sir.

FLEISCHER: Could you briefly describe life in Anaktuvuk Pass?

PANEAK: Anaktuvuk Pass has a population of approximately 150 people. And it's different from most of the Alaskan villages in that it is landlocked. We have no navigable waters near by.

FLEISCHER: All right. Could you tell me -- Mr. Paneak, you are a member of the local boundary or the Planning Commission for the North Slope Borough, is that correct?

PANEAK: Yes, that's correct.

FLEISCHER: And that serves the entire area of the north from the 68th Degree Parallel north to the Arctic Ocean?

PANEAK: Yes, that's correct.

FLEISCHER: Based upon your residency in Anaktuvuk Pass, and on your knowledge as a member of that Planning Commission, could you state what effect you think the opening of this Haul Road to unlimited access, would have on the land and on your people?

PANEAK: The effect would be most apparent in that the animal habitat in the Brooks Range would be greatly affected. And by this, I mean that the noise and traffic going through the road would tend to move the animals from their main habitats and the life style of the local people.

FLEISCHER: On the basis of those reasons does the village presently oppose the opening of this Haul Road to the north?

PANEAK: Yes.

FLEISCHER: Can you tell me if you feel that the opening of this Haul Road would help reduce cost of delivery of goods to the village?

PANEAK: At present I cannot foresee the asset it would provide for the village itself.

FLEISCHER: Do you see any effect on charter airplanes bearing hunting parties if this road were opened up?

PANEAK: Yes.

FLEISCHER: And what do you see happening?

PANEAK: If the Haul Road were to be opened we would see more of airplanes, air taxies situated on the pipeline road.

FLEISCHER: Does the village presently use subsistence level of life; that is, actually hunting for food and your necessities?

PANEAK: Yes, to a great extent.

FLEISCHER: And is there presently an abundance of caribou, for instance, to serve those needs, or are there problems?

PANEAK: There are problems.

FLEISCHER: And do you feel those problems are going to get more severe if this road is opened?

PANEAK: Yes.

FLEISCHER: Mr. Paneak, you stated before you were on the Planning Commission. Has that Commission for the North Slope Borough set priorities for the expenditure of State money in the North Slope?

PANEAK: Yes, sir.

FLEISCHER: And briefly what are those priorities, sir?

PANEAK: The priorities would be the local service roads from the village to the airport, or to the marine terminals.

FLEISCHER: And have those needs been met? Have you gotten the dollars from the State?

PANEAK: No.

FLEISCHER: And is it your statement, or is the position of the Borough, that you want those roads and those other expenditures before you have this Haul Road that you don't want?

PANEAK: Yes. This would be my statement.

FLEISCHER: I have no further questions of Mr. Paneak at this time.

McCONNELL: Thank you very much, Mr. Fleischer. Mr. Paneak, Mr. McGrath will have some questions for you now.

McGRATH: Mr. Paneak, Anaktuvuk Pass is not on the highway, is it?

PANEAK: No.

McGRATH: Approximately how far -- we don't have a map here, but how far from the highway is your village?

PANEAK: I would put it at about 70 miles, air miles.

McGRATH: Air miles. And at the present time are you affected by the utilization of the road as it exists now?

PANEAK: Yes, to some degree.

McGRATH: And what sort of effect do you feel?

PANEAK: First of all, we have no access to the road itself, and therefore, we cannot utilize the road.

McGRATH: So do you believe that -- would your condition be improved if you were hooked up to the road?

PANEAK: I would rather doubt it at this time.

McGRATH: As far as the subsistence qualities of your life, your dependence to a large extent on the wildlife in the area, is that affected by the industrial use that is now taking place on the highway?

PANEAK: Oh, yes.

McGRATH: It is?

PANEAK: It is most apparent with the caribou migration of the Eastern Porcupine herd.

McGRATH: How long a period does that occur in the course of a year, that migration?

PANEAK: Once in the fall.

McGRATH: For a period of how long, about two weeks?

PANEAK: About a month, normally.

McGRATH: Normally?

PANEAK: Normally.

McGRATH: Now, do you believe that if there was a highway that was opened up, are there any restrictions that could be placed upon the highway that would assist you in maintaining your way of life? In other words, would it be of assistance if the highway were closed for a period of a month during the caribou migration in your area?

PANEAK: This would help to some degree, but as it is now the people there have hunted more than 200 miles from Anaktuvuk eastward.

McGRATH: The people coming in by plane?

PANEAK: Yes.

McGRATH: I see. So, as it exists now your subsistence life is being threatened by hunters coming in by plane?

PANEAK: Yes, sir.

McGRATH: Would you not be in a better position then, if we put in the Haul Road, and we built a zone around your village of, say, 50 miles, where there would be no hunting except hunting by people of the village?

PANEAK: But this would still affect the game near the Haul Road. The 50-mile radius would not mean anything.

McGRATH: Well, how about if no hunting is allowed off the road, and that no off-road vehicles are allowed on the Haul Road?

PANEAK: This would help.

McGRATH: So, would you not be in a better position, you being the people of Anaktuvuk Pass, for the maintenance of your way of life if we have a Haul Road, we have no off-highway vehicles allowed on that, we have no hunting from the highway, and that we build a zone around your village where not only people are not allowed to come by road, but people are not allowed to fly in. Would that not preserve your way of life more effectively then against the dangers that you now face today from flying hunters?

PANEAK: Let's again think about the immediate area around the Haul Road; how the tourists would come in. This would be with campers and buses and what not, not counting the local air taxis that would be sprouting up along the pipeline camps. And I think we should have a coordinated effort in controlling these factors.

McGRATH: We agree, certainly. Do you see any reason why we cannot restrict the use of the highway itself?

PANEAK: I can't see it at this time.

McGRATH: You can't see any reason why we can't, or you can't see that we can restrict it?

PANEAK: I can't see how you could restrict it.

McGRATH: Okay. Is there anything -- if we do put the highway in is there anything we can do for your village in order to help maintain your way of life based on partially a subsistence living?

PANEAK: Well, first of all, again it would be an indirect answer to your question, is the North Slope Borough Planning Commission has to come through with the land use report on the 68th Parallel. And, therefore, at this time I would not be able to comment on what uses we could impose.

McGRATH: So your message is one of "Don't open the road," but not that you don't have any suggestions at this time as to what land policy we should have?

PANEAK: Yes, sir.

McGRATH: If we restrict the highway, can we not in effect bette:

your way of life up there by protecting you from the dangers that you now face from outside hunters?

PANEAK: Yes. At this time I would oppose greatly the opening of the Haul Road north of the 68th Parallel unless the local needs and priorities have been met.

McCONNELL: Thank you very much, Mr. Paneak. And thank you, Mr. McGrath. Mr. Fleischer, would you bring forth your second witness?

FLEISCHER: Thank you. I call Dr. David Klein to the stand.

McCONNELL: Dr. Klein, welcome to the Alaskan Advocates.

FLEISCHER: Doctor, would you state your name and present position?

KLEIN: I am David Klein, and I am on the faculty at the University of Alaska in the Division of Life Sciences. I am also Director of the Wildlife Research at the University.

FLEISCHER: It was mentioned earlier that you are also a member of the Alaska Growth Policy Council, but you are here as an individual?

KLEIN: Yes. I am glad that you made that point.

FLEISCHER: Dr. Klein, could you briefly describe your background and training?

KLEIN: Yes. I have been in Alaska for about 26 years. And I got my Master's Degree at the University of Alaska at Fairbanks, and my Ph.D Degree at the University of British Columbia, and I have worked with the Alaska Department of Fish and Game and before statehood with the Alaska State Game. And I have been at the University on the faculty since 1962.

FLEISCHER: In addition to that, Dr. Klein, have you had any personal experience with the Haul Road that is under question here today?

KLEIN: Yes. There has been considerable research done through our Research Unit. I have been involved in this research that is related to the North Slope, Prudhoe Bay and along the Haul Road. We have been looking at the impacts of the pipeline construction Haul Road use in relationship to wildlife.

FLEISCHER: I would like to ask you, then, based upon that study, and based upon your information, whether you have determined what you consider to be the probable effects on both the land and wildlife if this Haul Road were opened up to unlimited access?

KLEIN: I think the real catch here is when you say "unlimited access." Then, we run into some serious problems. And already our studies have indicated problems that relate to particularly caribou. And, perhaps secondarily, the grizzly bears. But studies done cooperatively by our unit and the Department of Fish and Game, which were recently reported on, show there is already decrease in the use of the area adjacent to the Haul Road on the North Slope by cows and calves of the caribou that are in

the area, bulls to a lesser extent, and also there are other factors. Wolves predeation seems to be more efficient along the Haul Road. Wolves have learned to use the Haul Road in stalking caribou. It looks like already there are effects on the caribou population -- movement of caribou in the area has been restricted as a result of traffic.

FLEISCHER: There are severe problems with the Western Arctic caribou herd at this time, are there not, Doctor?

KLEIN: Yes. This has been brought out earlier. There has been a drastic reduction in the herd. And certainly one of our major concerns is the Western Arctic Caribou herd which used to migrate across the Haul Road in large numbers, particularly south of the Brooks Range, which included a portion of their wintering area. They have not done this now for several years.

FLEISCHER: Are you considering in this assessment that there would be some hunting pressures and off-road pressures if this road were opened to the general public?

KLEIN: Well, if the road were opened, and hunting were allowed. Presently, of course there is a 10-mile corridor that is closed. And there was considerable controversy when that closure was made because it excluded a lot of area from hunting in the north from both subsistence users and sport users. And it has been assumed if the road were opened it would be desirable to open that area to hunting. However, our studies indicate that there would be some very serious problems in allowing hunting in the area because of difficulty of controlling the impact of this hunting both in terms of removal of the animals plus the disturbances that could be associated with it. Wildlife populations in the north are particularly vulnerable because there is very little cover in their habitat for them. This is true of caribou and moose, for example.

FLEISCHER: What experience have we had based upon other areas of the State, in terms of being able to control those kinds of effects; that is, off-road vehicles and unlawful hunting?

KLEIN: Well, yes. Unlawful hunting would be difficult to control as you pointed out earlier. It has been difficult to control in other parts of Alaska where access isn't such a serious problem. It is partly a problem of insufficient funds to hire enforcement personnel, but also the difficulty of apprehending violators in the field which requires aircraft. And even then, it is extremely difficult. As far as off-road vehicles are concerned, again, the record in Alaska of both State and Federal agencies that have responsibility for this has not been good. B.L.M. for example, does not have strong teeth in their regulations governing the use of off-road vehicles with success.

FLEISCHER: Doctor, I would like to ask you one other question. This establishment of a public road through the north is obviously a major land use decision. What planning process do you feel would be necessary, if any, before such a decision were actually made?

KLEIN: I think we are talking about a vast area that has been

largely unexplored. There is not a clear understanding of what resources are available. There are the speculations that there are large amounts of mineral resources in the area, but we should know what those resources are, and what the potential for developments are, and what the consequences of their development would be in terms of benefits as well as costs. Comprehensive planning has to follow the development and use of transportation corridors, has to proceed the development of those corridors, and not the reverse. I think you know, it is essential that the land ownership question is cleared up before we can really know what is going to happen in the north. The question has not been resolved. As Mr. Paneak pointed out, the North Slope Borough has not resolved their planning problems in the north. I think that the problem really is that we need more information. We need more time in order to evaluate what the consequences would be of more ready access of the general public into that area.

McCONNELL: Dr. Klein, thank you. Mr. McGrath.

McGRATH: Dr. Klein, I have heard mention in the past, and something that I believe that the Arctic area up there that we have talked about, contains answers to questions that we have not yet learned to raise. Have you hear that stated?

KLEIN: I am sure that could be said of almost any area in the world.

McGRATH: Do you agree with that?

KLEIN: Of course.

McGRATH: Now, one think that has always puzzled me about the various studies, and we have proposals by every A, B, C agency and bureaucracy involved in the State, and everybody is dying to start this huge industry, as I see it, of studying this area. What are we going to know? I think the Land Use Commission wants to have two years to sketch out the major parameters. Whatever that means, I don't know. It might mean something to you, but it does not to me. What are we going to know two years from now about those questions that we don't know now?

KLEIN: Well, if we look at the accumulation of knowledge that has occurred since the pipeline project has been authorized, and weight those volumes of information, we can see that there has been a tremendous accumulation of knowledge in a short period of time as far as government studying things to death. I mean, this isn't novel. Industry if it is going to make a profit, it has to do research and development work. Certainly the oil industry gets tremendous benefits from their research money.

McGRATH: How long are you proposing that we take to study this?

KLEIN: I think it should be studied indefinitely, just as industry continues to study their problems that they deal with. They have to continually upgrade their operation, and I assume the government will do the same thing.

McGRATH: I think we are in total agreement, Professor, because

you have not heard us advocate that we are not for studying this project, but if I understood, you are for closing the road while this takes place.

KLEIN: I didn't say that.

McGRATH: I am sorry.

KLEIN: I think we should use all the information that is available upon which to make a decision. At this point in time, if you will pardon an ex-Nixonian expression, we don't have enough information to say the road should be open to the public. I think that maybe in 50 or a hundred years or less time we might want to re-evaluate, and I would hope that we would re-evaluate, perhaps, on an annual basis.

McGRATH: What do you do next April when the pipeline begins flowing, and we the people of the State of Alaska find ourselves with this road? What do you do with it? I agree with you that we should study the environment.

KLEIN: Right now I think the road should be closed to the public. Next year I might not say that, because I think we would have more information. I think a re-evaluation should be made.

McGRATH: Maybe next April or so when we do get the highway your position might be changed?

KLEIN: I think we should continue this debate indefinitely and continue to hold the option open for use of that area.

McGRATH: I think we are in agreement there, certainly. You mentioned the fact that your previous decisions were based upon unlimited access by the public. What did you mean by these studies that have accrued so far, the unlimited access? What do you mean by that? Does that mean I can hop in my Volvo and just ride up there or some of my neighbors can use a camper and go off the highway and hunt?

KLEIN: I am not sure what type of access may be permitted. Perhaps, unlimited was a poor choice of words.

McGRATH: What is your study based on?

KLEIN: Our study is based on the amount of traffic presently using the road and we see the effects of the present levels of traffic, and we see the direct correlation between the influences on the caribou movements and use of the area in relationship to the intensity and degree of traffic on the road. So, what I am saying is if traffic increases we can anticipate greater responses of the wildlife population.

McGRATH: Are you envisioning the users leave the road, that you have off-highway use in the predictions that you have made so far?

KLEIN: Not in the studies we have made so far because that is very limited now. But I would anticipate if there is off-road

use it would spread the effects over a much broader area.

McCONNELL: Thank you very much, Mr. McGrath. Thank you, Dr. Klein, for being with the Alaskan Advocates. Well, that completes our cases. And now it's time for each of our advocates to summarize his case. So, Mr. Fleischer, let's begin with your summary, please.

FLEISCHER: Thank you. It's our position that the Haul Road should not be a public highway. We feel that the basis for this is the fact that there is present use by industrial users, which is going to threaten the safety of individual motorists who might otherwise use, or try to use the highway. Further, it is based, and very importantly, on the fact that the people of the north, the people who are most directly affected by this decision, are presently opposed to the question of having this road opened up to the general public. If it were merely whim, it would be one thing, but we are talking about basic rights, basic interests, that these people have in terms of their subsistence living, in terms of their very culture and lifestyle. And we feel the State should and must listen to them. We further heard strong evidence of the fact that we can and do anticipate a very significant detrimental impact on the land, the fragile land of the north, and the game, and all other elements of wildlife. We have seen that even the present use of the road as it is being maintained today under a very restrictive basis had a substantial impact there, and obviously, opening it up to the general public is going to increase that impact, and perhaps threaten the existence of the game and wildlife of the north.

We further have heard evidence of the fact that there is a sub-serious question, a land use planning question, which maybe Mr. McGrath may wish to belittle or knock down, but the fact of the matter is there are serious questions that confront the local communities, the State and the Federal Government before any such major question of land use can or should be decided.

On the question of costs, it is our position that it's the taxpayer who will bear a substantial burden in having this Haul Road opened up to the general public; a burden which we cannot and should not have to bear. The fact of the matter is, we have present existing roads in the State of Alaska which are not being properly maintained. We have, in fact, crying needs for such maintenance among those roads which are going to continue to not be met if we have to expend the kind of money that has been projected for this road; $30 million plus the first year and millions of dollars each and every year thereafter. It isn't worth it when we consider the threat to the lives, the threat to the land, the threat to our economy. Further, and as was stated earlier in one of the Growth Policy Council meetings by Peg Tileston, "Wilderness is an important resource," and it is one of the most important resources of the Arctic.

McCONNELL: Thank you very much, Mr. Fleischer. Mr. McGrath.

McGRATH: I don't believe that Mr. Fleischer has carefully analyzed what we attempted to get across. And perhaps that is due to the

shortage of time, but we have not taken the position that we are against, by any means, any land use. What we have been discussing here, and solely, is not whether or not we are going to study the land, not whether or not we are going to protect the environment, because we have avowed that to be a part of our position. What we have said is that -- and if I understand Mr. Fleischer's position and his witnesses, is that they want to close the road to public access and close it now, or at that time when we the people of the State of Alaska obtain that from the Alyeska Pipeline. What they have carefully avoided, and what we have had testimony on the stand to the effect was that if we do that, and the Attorney General -- Mr. Fleischer may not like what the Attorney General has to say -- but the Attorney General has said, you have got to pay these people back -- and these people being Alyeska Pipeline -- because they have a contract with the State of Alaska. We either keep that road open for their use over the course of the maintenance of that Alyeska Pipeline -- and Mr. Fleischer knows this -- or we are going to have to pay them to the tune of perhaps $80 million, $30 million to pay back for what we have gotten free of charge from the Federal Government on the assumption we were going to have a public highway.

Now, we can all say, "Well, let's forget about that." And apparently that is what these people have done. They have simply forgotten about it. What we owe the rest of the citizens of the United States is just something that is an obligation that we the people of the State of Alaska can just hide our heads to. That's not the way we run our personal lives, and if that's going to be the new theme of government, I suggest that the age -- as the Doctor referred to the age of Nixon -- has not particularly banished itself from this globe. That is not the type of personal morality, not the type of public morality that we want to see take place.

We can give Mr. Paneak and the people of Anaktuvuk more protection. And what they have complained about was not the dangers arising from this highway, but from all of the dangers that also exist presently, right now. We must remember what Mr. Paneak has said. He has said his village needs protection, not against the highway, but it needs protection in general. Let's give him a reserve up there where all of us keep out except the people from his village that actually need that hunting ground.

McCONNELL: Thank you very much, Mr. McGrath. Now, it's time for those viewing at home to get into the act by becoming involved in the many town meetings and public workshops of the Alaska Public Forum, which will be held throughout the State this fall, winter and spring. Please attend these meetings and tell the Growth Policy Council, the Governor and Legislators from your area what you think the eventual decision should be, not only on the Haul Road, but on many other issues facing the State. For more information about the Public Forum's agenda of issues to be discussed and schedules of meetings to come, and also for a free transcript of this program, please write to the Alaska Public Forum, 429 "D" Street, Suite 310, Anchorage, Alaska 99501. That's the Alaska Public Forum, 429 "D" Street, Suite 310, Anchorage, Alaska 99501.

Money, schools, other state issues are targets of Forum TV shows

Six issues of vital importance to all Alaskans will be debated on the television airwaves this week.

The Alaska Public Forum, with the cooperation of all four Anchorage stations, will offer a series of special programs dealing with education costs, oil and gas leasing policies, human resources, state land management, the permanent fund and the state's royalty oil and gas.

THE SHOWS will be constructed around a "Meet the Press" type of format, in which members of the local press corps interview state, local and bush leaders about the issues.

The questions were developed by the Alaska Growth Policy Council, the overseers of the Public Forum.

THE SIX-SHOW series debuts tonight at 7 p.m. on Channel 2 with the question, "How should the permanent fund be invested?" The panelists will be Jamie Love of the Alaska Public Interest Research Group; Robert Richards, vice-president of the Alaska Pacific Bank; and Pat Rodey, state senator from Spenard. These three will be facing press representatives Flip Todd, freelance business writer; Pat Fullerton, news director of radio station KANC; and Virginia McKinney, writer for Alaska Industry Magazine.

The second show in the series, to be aired Sunday at 10 p.m. on Channel 11, will focus on the question "What areas of human need do you feel require most attention?" The panelists are Frank Williamson, commissioner of Health and Social Services; Jewel Mason, the director of human services for the Municipality of Anchorage; and Gordon Jackson, former human resources director of the Alaska Federation of Natives Inc. The reporters will be Greg Clapper, news reporter for Channel 11; Ed Bennett, producer, reporter and director of "Alaska Review;" and Donn Liston, editor of the Northern Observer, a local community newspaper.

"How should public school construction be financed in both the organized and unorganized borough?" will be the third question, to be discussed Tuesday on Channel 7. The three panelists, all involved with education are Marshall Lind, commissioner of education; Heather Flynn, Anchorage School Board member; and George White, Northwest Arctic School District superintendent. The press contingent will include Pam Rogers, Channel 7, news director; Jeanne Abbott, education reporter for The Daily News; and Jeff Richardson, a reporter for the Tundra Times.

ON WEDNESDAY, at 6:30 p.m. on Channel 11, a group will debate, "What should be the objectives for managing Alaska's land?" On the Panel will be Mike Smith, director of the state Division of Lands; Bob Hartig, president of the Anchorage Chamber of Commerce; and Joe Josephson, a local attorney who represents Native clients. From the press will come Pete Carran, news director for KFQD radio; Kathy Madison, news director for Channel 11; and Al Campbell, news editor of the Palmer Frontiersman.

"What should be the state's policy on future oil and gas lease sales?" will be discussed Thursday at 7:30 p.m. on Channel 2 by panelists State Sen. Chancy Croft; Kenai Borough Mayor Don Gilman, and a representative from the Alaska Oil and Gas Association. The press participants are Rosemary Shinohara, oil and gas reporter from The Daily News; Gary Williams, editor of the Homer News; and Channel 2 news director Paul Wonder.

The series will end Friday at 6:30 p.m. on Channel 13 with the question "What is the best use of Alaska's royalty oil and gas?" Panelists will be Commissioner of Natural Resources Guy Martin; Tom Fink, former legislator and newspaper columnist; and a representative of the oil industry. Media representatives will be KIMO News Director Ginny Morgan; Sherida Hughes, news director of radio stations KHAR and KKLV; and Howard Weaver, editor of the Alaska Advocate.

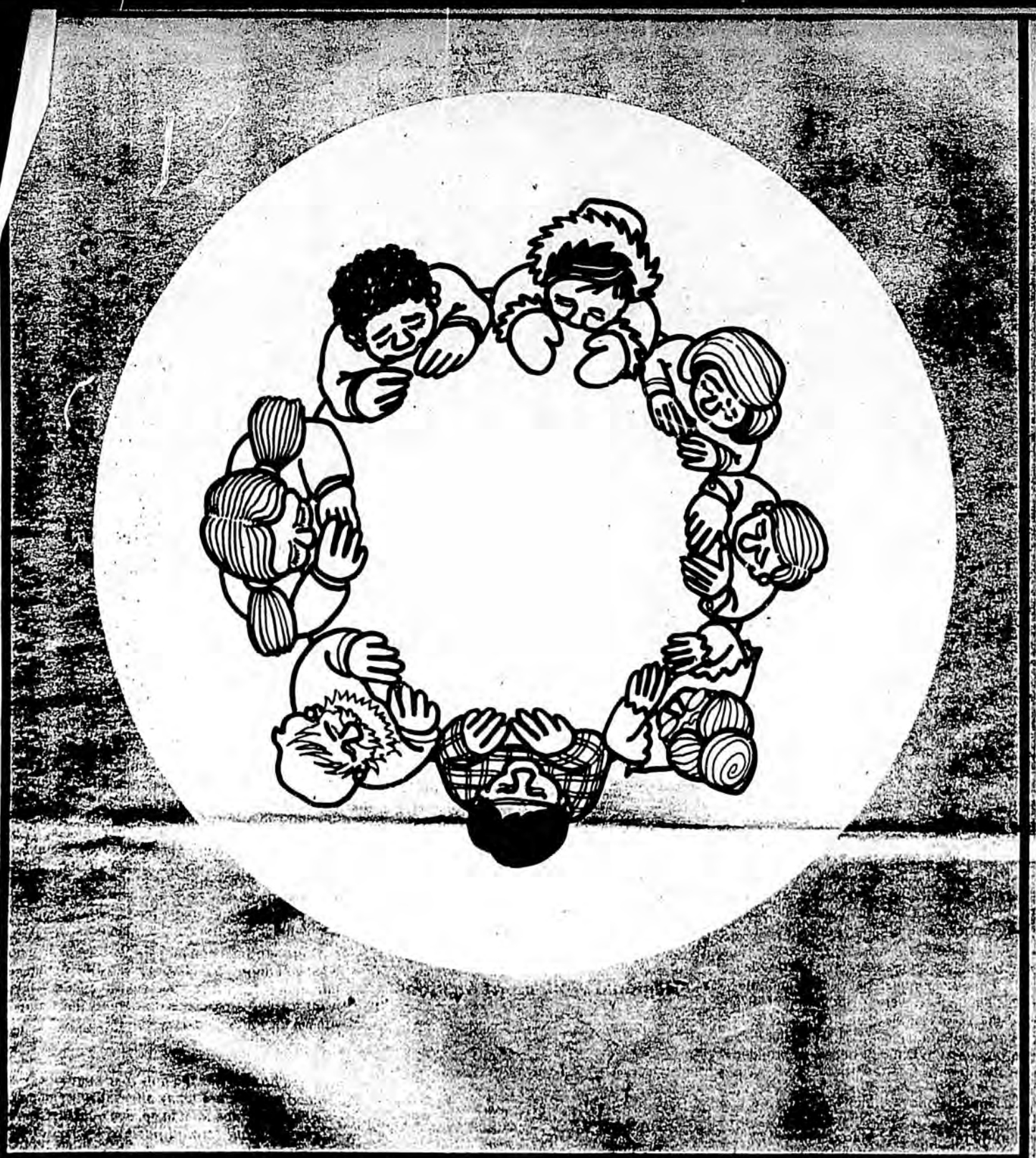


Alaska's nest egg — the state's permanent fund — will be the topic of the first Alaska Public Forum show. Panelists will debate how the fund should be invested.

"A touching story beautifully told"

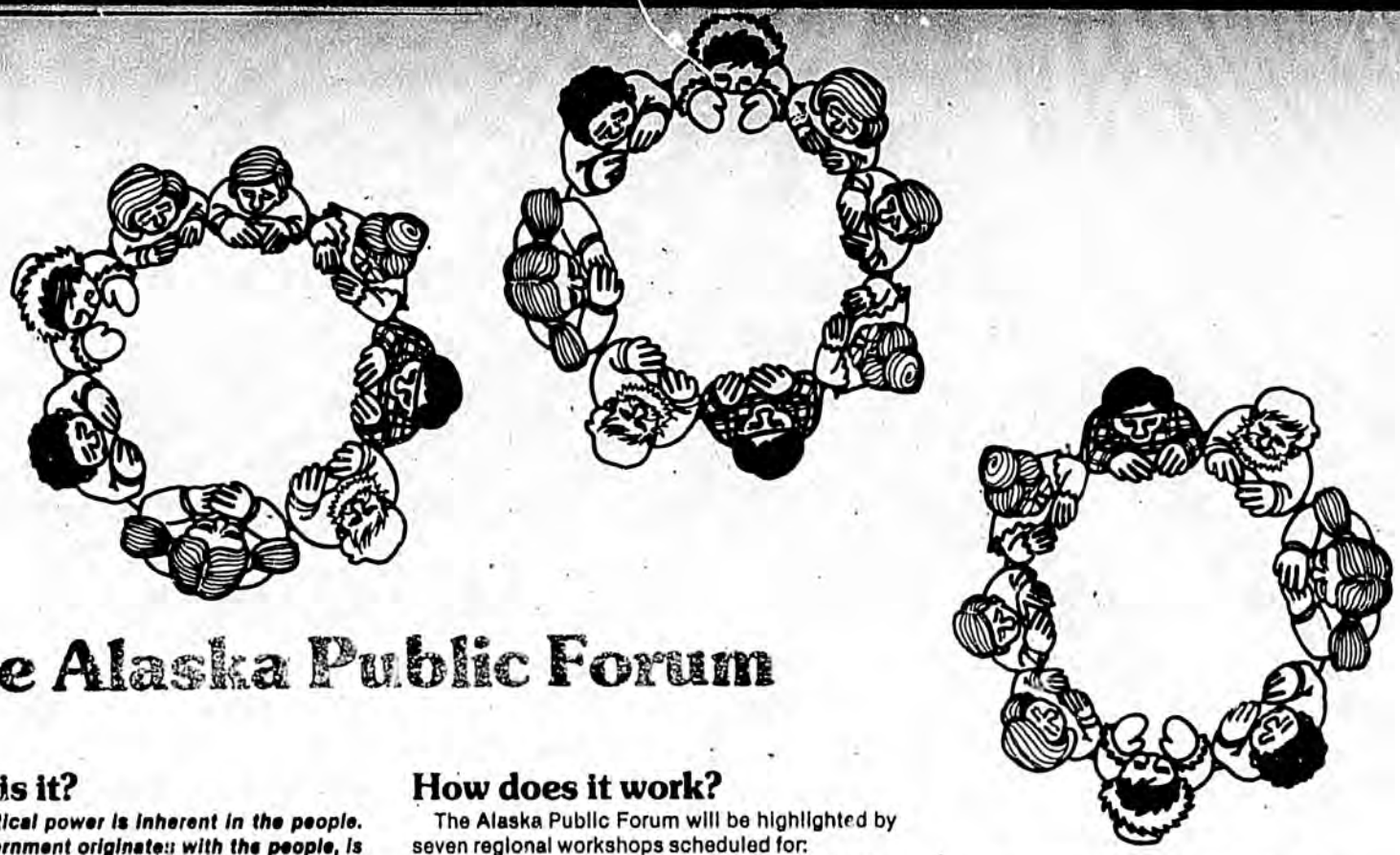
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A program of the Alaska Growth Policy Council



The Alaska Public Forum

What is it?

All Political power is inherent in the people. All government originates with the people, is founded upon their will only, and is instituted solely for the good of the people as a whole.

The Constitution of the State of Alaska

The Alaska Public Forum is the people of Alaska discussing major state issues and making recommendations on them to the Governor and state leaders. It is the leaders of the state listening to the ideas of Alaskans. Finally, it is decision-makers incorporating the suggestions of the people into the activities which will shape the future of the state. This is the Alaska Public Forum.

The Public Forum provides a method for people to voice their opinions on a series of state issues and to be heard. Alaskans are asked to read and think about, to discuss and recommend action on such areas as oil and gas revenues, leasing and royalties, priorities for human needs, and land use planning.

The Alaska Public Forum is directed by the Alaska Growth Policy Council. That eleven member council was set up by Governor Hammond in 1975 to include the points of view of citizens in decisions on important State issues. Through the Public Forum process the Council hopes to broaden citizen involvement.

The Alaska Growth Policy Council Members are:

Mark Boesser	Leonard Lane
John Borbridge	Harold Pomeroy
Tim Bradner	Lidia Selkregg
Frank Homan	Herbert Smelcer
David Klein	Diana Tillion

Lowell Thomas, Jr. Chairman

How does it work?

The Alaska Public Forum will be highlighted by seven regional workshops scheduled for:

Southeast	November 13, 14
North	December 4, 5
South Central	January 15, 16
Copper River	February 11, 12
Southwest	March 5, 6
Gulf Coast	March 26, 27
Interior	April 16, 17

In addition to the regional workshops, the Public Forum will hold a series of local meetings for those persons who are unable to attend the larger workshops.

The Alaska Public Forum extends one step further for people who cannot attend either the regional or local meetings. This newspaper you are presently reading contains a questionnaire on the last page. This may be filled out and mailed in without attending any previous meetings. The information contained in this paper is the same material which will make up the workshop agendas.

Regional Workshop Locations



How can I participate?

The Alaska Public Forum meetings are open to everyone and you are encouraged to attend. Additionally, 25 persons from the general public will be selected at random in each region to participate in the regional workshops. Leaders and representatives of community organizations will be invited to lend their experiences to the discussions. The local Public Forum workshops will also be open to all those who want to participate and discuss their opinions on major State issues.

If you cannot attend a workshop, please fill out the questionnaire at the end of this paper and send it to the Growth Policy Council. Your thoughts on these issues are extremely important. They will be made available to both the legislature and the Governor for use in upcoming legislative sessions and in the preparation of the state budget.

There are decision-makers who ***want*** to know what you think. That is what makes the Public Forum unique. Your response will not be lost—if you want to play a role in determining the future of Alaska for yourself and your children.

Since no man has the only road map, what we need up here are many alternative visions of where Alaskans want to go, and from this amalgamation put forward positive images of tomorrow. The major question is, of course, what kind of Alaska do we want, both for ourselves and for our children's children.

Governor Jay Hammond

About this publication

This newspaper is your invitation to participate in the Alaska Public Forum, whether you choose to do so at home or at a workshop. At public meetings, this publication will be used as the agenda. You will be asked to read and discuss the background information provided on these pages. From there you will be able to answer a series of questions which will serve as your recommendations to state leaders.

If you choose to participate in the Forum at home, we urge you to read the following pages, answer the questions at the end, tear off the last page, fold it as directed and mail it back to us. No postage is necessary.

There is a wealth of information contained in this paper. It has been accumulated by knowledgeable people in each field and then condensed to provide you with the basic information you need to answer the questions. We've tried to keep from overloading the pages with technical material, and yet some background is helpful to better understand the implications of each question and answer.

Any comments you have about the Public Forum process would be welcomed by us, so feel free to jot them down at the end.

We urge you to participate. We look forward to receiving your answers.

Our address: The Alaska Growth Policy Council, 429 "D" Street, Suite 310, Anchorage, Alaska 99501

When tomorrow becomes today



A chance to plan ahead

We, as a nation, have notoriously responded first to crises—energy, environmental, economic, racial, and others. When the crisis becomes too great, we jump to our collective feet and demand action. And the government responds predictably. Federal Energy Agenices, Environmental Protection Agencies, Cost of Living Councils, and Offices of Civil Rights spring up overnight. On the state level, we respond similarly. Belt-tightening administrations are elected into office and Commissions on Energy and the Environment appear throughout the country.

And, we continue to be a nation without a future plan. Moving from one crisis to another, doing battle, winning and moving on just in time to grapple with the next urgent situation.

Alaska's approach has been no different. But at this time the State has a unique opportunity. The chance to plan ahead.

We are maturing as a state everyday, which means growth and development. This is a natural phenomenon and only becomes a problem when we can no longer manage it.

There are several important questions about this change for which we will need answers. Simply,

How fast?
How much?
What kind?

And further,

What role should the State take in these changing events?

In order to fully understand these issues, we should look back and retrace the steps which brought us here.

Before Statehood

Historically, Alaska has suffered at the hands of outside exploiters. Its development has been in waves and in direct response to the most recent discovery, whether it has been furs, gold, fish, timber or oil. People have swelled the population size of the State but then have taken the wealth away with them when the job was done. Very little of Alaska's riches have been spent by or for Alaskans.

The Sixties

In the first years after statehood, the economic future of the State looked somewhat shaky. Apart from Federal Government spending, the fishing and timber industries were the economic mainstays in those early days. But, it was the discovery of oil and gas in the Kenai-Cook Inlet fields that gave the young state its biggest boost.

By the end of the 60's, the oil and gas potential in the State showed great promise. And the decade reached a climax in 1969, when the State sold the Prudhoe Bay oil leases for $900 million which ushered in the oil age.

The Seventies

During the first five years of the 70's, events tumbled together in rapid succession. Alaska today is very different from Alaska ten years ago.

For Alaska to expand and grow in tune with these changes, it was first necessary to settle the question of land ownership between the State and the other two major owners—first, the Native people, who if they did not "own" the land through conventional titles, certainly owned portions of it through time and past use; and second, the federal government, whose involvement and control of Alaska land long preceded the State government.

The result was the passage of the Alaska Native Claims Settlement Act in 1971. This Act gave Eskimo, Indian and Aleut people of Alaska 40 million acres of land and $1 billion. At the same time, the Act set aside 80 million acres from the Federal domain for possible additions to national parks, wildlife refuges, forests and wild and scenic rivers.

This parcelling of land, while fragmenting ownership around the State, also cleared the way legally for construction of the oil pipeline. Any further reservation about its future was overridden in the wake of a nationwide "energy crisis".

Today and Tomorrow

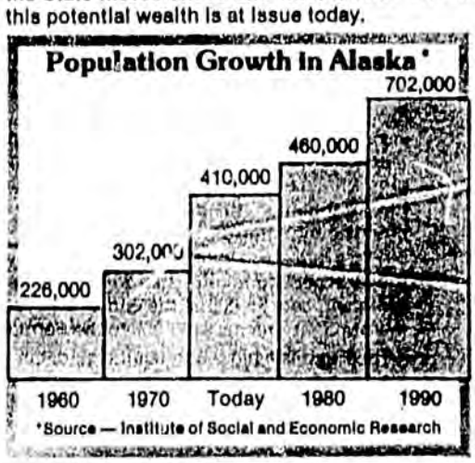
And where are we today? Generally, we are in the middle of a prosperous era with no immediate end in sight.

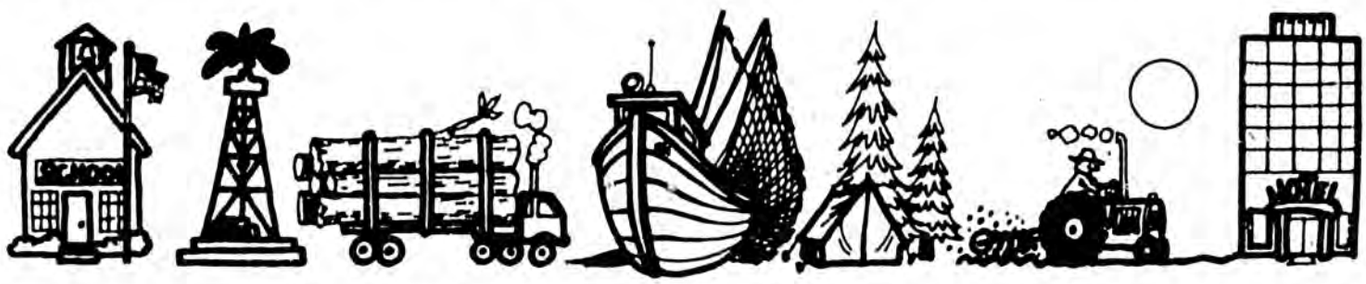
But you are an Alaskan, and what does all this mean to you? Probably, it means more people in your town, more job opportunities, more items at the local store, often at higher prices, better schools and more cars on the road. Even in rural Alaska, this growth is present. And it means that if you look at the future you want, you must carefully weigh the importance of these new activities in your life. Every new benefit comes with a price tag, not always measured in dollars, and only you can decide whether the price is right for you.

You, as an Alaskan, have a share in the ownership of this State:

- 103 million acres of land, at least 30 percent of which the State has not yet selected.
- 3 miles of off-shore waters with untapped oil reserves.
- 12½ percent of all the oil brought out of the ground to use in Alaska or to sell for profit.
- 12½ percent of gas brought out of the ground to use for Alaska's needs or again, sell for a profit.
- 2,000,000 acres of commercial timber resources.
- One of the richest fishery resources in the world.
- And most important, 400,000 Alaskans with enormous human energy and resources.

All that is quite a responsibility. The way in which the State moves ahead and what it does with all this potential wealth is at issue today.







New Money For Alaska

Shortly after the oil begins to flow through the pipeline, Alaska will suddenly become very wealthy. We have had a trial run at this experience. In 1969, we received $900 million from Prudhoe Bay lease sales. The money was spent primarily for education and a number of public services, Today, however, most of that money is gone.

Soon, the State will receive $1 to $2 billion and more per year from oil production. That is a lot of money, not only for a state like Alaska with its small population but for many other states.

And what will the State and we Alaskans do with that amount of money? Some of it—a minimum of 25 percent, maybe more—will go into the Permanent Fund (see this page). But the rest of the money may be spent or invested in a number of ways from increasing services such as education, highways, health or revenue sharing allocations to loaning it to industries or communities.

Not all this money comes from oil and gas revenues. The State continues to receive money from its timber and fishing industries, for example. It is important to remember that once the oil and gas have been taken from the ground they will be gone. They will not replenish themselves the way a new tree may grow again in the forest.

For this reason, we refer to oil and gas resources as ***non-renewable*** and resources such as fish and timber as ***renewable.*** Indeed, the new money is a bonanza for Alaska but its value is limited to the one time extraction of non-renewable oil and gas resources which at this time are estimated to last no more than another thirty to fifty years.

The Permanent Fund — Our Nest Egg

In November, 1976, voters of the state approved changing the language of the Alaska constitution to allow for "dedicated" monies to be set aside for a special purpose — the Permanent Fund.

In the case of this Fund, the voters agreed to use at least 25 percent of the oil revenues coming into the State for investment purposes. None of that money can be put into the General Fund for State programs. It can only be invested—through savings which accumulate interest or loans which are returned with interest. What may be spent in future years is the earnings from that investment.

For example, if the State put $250 million into a savings account, it might earn interest at 7 percent. That interest over a five year period would amount to approximately $87.5 million, plus what has been compounded. The State may spend the $87.5 million, the ***earnings,*** but the $250 million, the ***principal,*** must stay in the Permanent Fund for investments, which could be the same savings account.

The same idea applies to a loan. If the State loans a community $100,000 to build a dock, it will expect to receive that $100,000 back plus, say 6 percent interest. In this case the State will earn $6,000 at the end of one year which it can spend on State activities. Again, the State returns the $100,000 to the Permanent Fund for future investments.

The Fund is a big responsibility and it is critical that it is understood and managed properly. At this time there are several important questions about the Permanent Fund which will need answers soon.

For example:

1. ***How should the Permanent Fund money be invested?***
2. ***How should the Permanent Fund earnings be used?***
3. ***Should more than 25 percent of the new money be put into the Permanent Fund?***
4. ***Who will manage the Permanent Fund?***

The Public Forum will look at the first two questions. How this money is invested is extremely important because the size of the Fund itself will grow rapidly. If the Permanent Fund is 25 percent of the total oil and gas revenues, it may grow from $2.8 million dollars in 1977 to $1.883 billion dollars by 1985. How should that money be used to make more money? Secondly, how should we spend the money produced from these investments and the balance of the new oil and gas revenues which could be as much as 75 percent of all the new money. The options are up to you.

Options for investing the Permanent Fund

The 25 percent or more of oil and gas money put into the Permanent Fund must be invested to make money for the State. There are several ways this can happen.

Saving it:

If the money is saved either through a savings bank or government bonds, it will for the most part, be safe and tied up collecting interest. If it is put into banks or securities the returns (earnings) on the money will probably be high. This method of use, then, would be profitable and safe for the State.

Savings provide no threat to the money. Losses are avoided, financial gain is made, and there will be something for a rainy day.

Loaning it:

There are at least four major types of loans that the State could make with Permanent Fund money. ***Community development loans*** would provide money for community projects such as building and maintaining airfields, ports, housing projects, child care centers, etc. Generally these would contribute to the betterment of Alaska's communities by providing money to them with low interest rates to take on projects they could not otherwise afford. On the other hand, it would not produce a great financial gain for the State. This type of loan would probably stimulate some local growth and provide jobs at the community level.

Industrial development loans would provide the same incentive to industry that community loans provide to local areas. In this case, population, job opportunities and services would probably in-

crease. The long range economic growth potential would be greater and might be the kind that would make us less dependent on dwindling oil and gas revenues. Again, the State would probably sacrifice large immediate financial gains for the benefits derived from this economic development.

Renewable resource development loans would encourage the development of resources that can be used over again such as timber, fishing, and agriculture. This development would probably increase job opportunities, the population and new services slowly, over a longer period of time than the boom economy produced by oil production. And it would also provide a steady, long-range source of money for Alaska, unlike the revenues from non-renewable resources, which will end when oil and gas supplies are depleted.

Individual loans would provide money to private citizens for better housing, small businesses, and education opportunities, as examples. This option probably would not have a sizable effect on either population increases or economic growth. Again, as above, State profits would take second place to promoting the general good of Alaskans.

The $900 Million

In addition to the Permanent Fund monies to be invested, the State will have to decide what to do with the earnings from the Fund as well as the remaining portion of the new oil and gas revenues not allocated to the Permanent Fund. That will be a good deal of money and it may be used in a variety of ways. However, before making a decision, let's look at the past.

The arrival of this new money will not be the first time that Alaska has found itself wealthy overnight because of its oil. In 1969, as we have seen, the State received $900 million from the sale of Prudhoe Bay oil leases. What did we do with that money?

This bonanza came to a State government that had often operated on a shoestring budget. Largely, then, to compensate for those leaner years, much of this money went to areas which had not received full attention in the past.

These efforts were aimed at improving education, health and social services, public works (which includes building, marine transportation, airports, docks, etc.), and paying off the debt from State bonds. However, the new money was spread throughout the State budget, so all State operations increased.

As a matter of fact, this created a problem. Most people thought that the trans-Alaska pipeline would be completed by 1973. And Alaska used its money based on the anticipation of receiving more money shortly. But as we chipped away at the $900 million, pipeline construction was delayed and no new money arrived to replenish the State coffers.

Not all the $900 million went into the General Fund, however. Some was put into small loans and mortgage programs for Alaskans. Close to $100 million went into housing, veterans', small business, municipal and similar loans. Additionally, there was some $300 million gained in major investment earnings. But at the same time, close to $6 million was lost on an $18 million investment in the stock market.

As it became painfully clear to everyone that state expenses were way up and the new money from the pipeline would not be available until at least 1977, state officials began to look into more immediate methods of producing money.

One method used by the State to meet a 1976-77 budget shortfall, was to enact a tax on oil in the ground before it is actually brought up. This, was in effect, a pre-payment of approximately $500 million against future taxes. A second method under consideration would involve leasing additional areas of the state for oil exploration. (See section on Leasing our Oil and Gas Lands). This second plan would help to explain all the recent discussion on the Beaufort Sea oil potential.

Whatever the State decides to do in the next few years—and, more immediately, whatever recommendations you make in the Alaska Public Forum—should be made with our recent history in mind.

Options for surplus oil and gas money

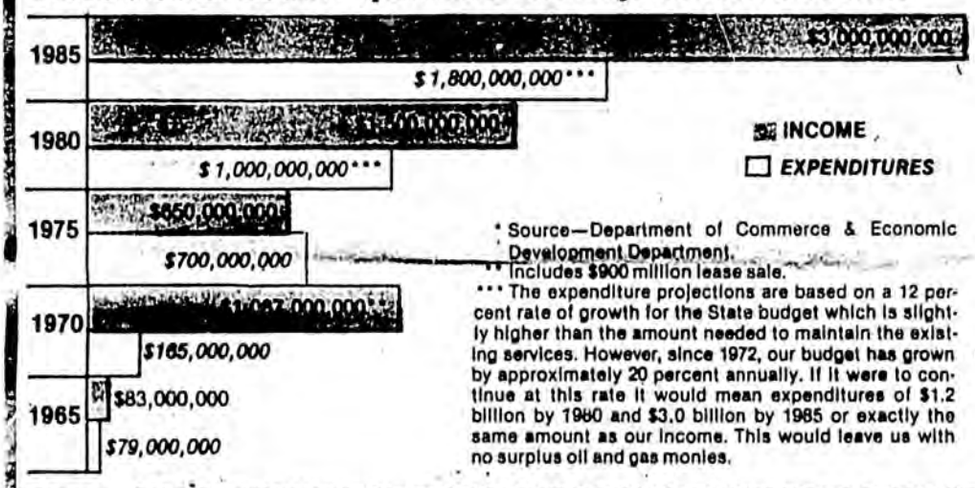
Oil and gas revenues not going into the Permanent Fund and those available as earnings from the Fund may be used for a number of purposes. As with the Fund, this money may be saved for future security or loaned to industries, communities or individuals providing a new kind of future for Alaska. (See options for use for the Permanent Fund.) It also may be spent in a variety of ways.

It might be given to communities for local services through larger amount of revenue sharing and municipal grants. Or it might be used to increase the benefits in existing State programs in education, health and social services, highway maintenance, criminal justice, land planning, alcoholism or a myriad of other State government activities.

The new money might be used to cut back the amount of State taxes we pay or it could be given out to Alaskans in cash payments like dividends in the stock market. The new money might be used to retire the State debt (paying off all its bonds). It might go to pay for public works projects such as building airports, docks, etc., in cash rather than taking out loans.

As you see, the choices are varied and numerous. But it's up to you. Consider what each means, not only to you but to the Alaska you want for your children. And know that your choice may make a difference.

Past State Income and Expenditures and Projections for the Future *



* Source—Department of Commerce & Economic Development Department.

** Includes $900 million lease sale.

*** The expenditure projections are based on a 12 percent rate of growth for the State budget which is slightly higher than the amount needed to maintain the existing services. However, since 1972, our budget has grown by approximately 20 percent annually. If it were to continue at this rate it would mean expenditures of $1.2 billion by 1980 and $3.0 billion by 1985 or exactly the same amount as our income. This would leave us with no surplus oil and gas monies.

1. The Question:

A.

How should the Permanent Fund money be invested? (Please rank your choices 1 through 4, with 1 the most important)

- ☐ a. Save it
- ☐ b. Loan it to communities
- ☐ c. Loan it for industrial development
- ☐ d. Loan it to develop renewable resource industries
- ☐ e. Loan it to individuals
- ☐ f. Other _____

B.

How should the State use its new oil and gas money? (All revenues except those invested in Permanent Fund.) (Please rank your choices 1 through 4 with 1 the most important)

- ☐ a. Use it for tax cuts for Alaskans
- ☐ b. Use it for cash payments to Alaskans
- ☐ c. Use it for community revenue sharing and community grants
- ☐ d. Use it for more State services
- ☐ e. Save it by increasing the Permanent Fund
- ☐ f. Loan it to communities
- ☐ g. Loan it for industrial development
- ☐ h. Loan it to develop renewable resource industries
- ☐ i. Loan it to individuals
- ☐ j. Other _____



Meeting Human Needs, Developing Human Resources

Meeting human needs

While many persons in Alaska today live in the prosperity of an economic boom, others are not as fortunate. Many face a constant struggle to meet their basic human needs.

And so, the state provides help for those who can't, at all times, provide it for themselves. It has recognized an obligation to house the homeless, feed the hungry, care for the elderly, heal the sick, whether they are crippled by physical or psychological illness, provide some income for those who have no means of their own, and care for children when the young have no one else.

Every year the State puts money into programs that will help eliminate some of these needs. Its range of activities is broad.

Beyond the needs. . .

Once the basic needs of people are met, has the State a further obligation?

In education, for example: The State has assumed a large part of the job of educating Alaskan children. It does this, even at the most elementary levels, in part, because it believes in the potential in each of us and the need to let it grow.

The State also recognizes the need for its people to have jobs. It provides access to on-the-job training programs and the chance for people, regardless of their profession, to upgrade their skills. Generally, people will develop their potential as contributing members of society if they produce work of which they can be proud.

Services the State Provides

ALCOHOLISM through the Department of Health and Social Services.
- provides money for detoxification centers, housing and outpatient treatment
- promotes research and education on alcohol-related problems and helps former alcoholics find jobs

CHILD AND YOUTH CARE through the Department of Health and Social Services.
- maintains and funds day care centers
- helps abused children
- funds treatment and counseling
- provides foster care for the orphaned
- provides rehabilitation for juveniles

EDUCATION through the Department of Education
- provides 90% of basic need costs for schools in organized boroughs and some cities
- provides 100% of basic need costs of schools in the unorganized borough
- provides support services such as curriculum development, vocational and special education programs
- administers Federal funds for bilingual, counseling and special interest programs

PROGRAMS FOR THE ELDERLY through the Department of Health and Social Services
- helps fund Salvation Army hot meals program
- provides money to local governments for transportation of the elderly
- provides grants for senior citizen centers
- provides legal assistance funds for the elderly through Alaska Legal Services

EMPLOYMENT through the Department of Labor and the CETA Manpower Division.
- provides Job Service Centers
- provides for on-the-job training programs
- administers the WIN program, Work Experience, and the Job Corps
- helps fund Seward Skill Center

HEALTH through the Department of Health and Social Services
- provides doctors, nurses, and health centers for treatment, prevention, and control of illnesses
- provides mental health clinics
- administers family planning counseling
- funds programs for disabled persons

HOUSING through loans to the Alaska State Housing Authority.
- constructs homes for the elderly
- maintains low and middle income housing in urban and some rural areas

Federal involvement

It is important to note that a great portion of Human Resource money comes from the Federal Government. It also should be noted that while these funds provide for a great many services, they generally come with a series of restrictions and regulations which can make them as much of a burden as a help.

The Question:

What areas of human need do you feel requires most attention? (Please rank your answers #1 through #8 in order of importance with #1 as the most important need.)



Priority (1-8)

- ☐ a. Alcoholism
- ☐ b. Care of Children
- ☐ c. Education
- ☐ d. Programs for the elderly
- ☐ e. Employment
- ☐ f. Health care
- ☐ g. Housing
- ☐ h. Other

The Cost of Schools



The State's responsibility to education

If we start with the idea that an educated society is a productive, vital one, it then becomes important that we look at one of the most debated subjects in Alaska: What is the responsibility of the State in educating its people?

The basic goal of the State government is to assure that every child has a quality education. However, that is not always as easy as it might sound.

If the community is unable to pay for itself, does the State absorb all the costs? What, then, is the obligation to those school districts that do have the means to contribute a major part of their educational expenses?

The cost of learning

The State provides for education through its Public School Foundation program, which today pays a minimum of 95 percent of "basic need" operating costs (teachers, books, desks, etc.) in organized boroughs — mostly urban areas — and first class cities throughout the State. It also pays 50 percent of these school construction costs. The other 50 percent comes from local property taxes.

In the unorganized borough — most of rural Alaska — State and Federal money covers 100 percent of both operating and construction costs. These expenses are mounting rapidly now more so than in the past years for two reasons. First, the State is assuming control over many rural schools formerly run by the Federal Bureau of Indian Affairs.

Second, it has been determined both through the expression of the people and through the courts that it shall no longer be necessary for students in rural areas to be separated from their homes and families in order to receive a high school education. This means, simply that the State must begin to build high school facilities in 126 communities where needed by 1980. Fiscally, this is a gigantic undertaking. For example, a six room high school for approximately 90 students recently built in the village of Kivalina cost $1.7 million. If the State were to meet its legal obligation to provide high schools in even 60 of the possible 126 locations, it would cost approximately $102 million. Added to this, urban area education costs are rising too.

It is possible that the State can provide 100 percent of the basic operating costs of education once the oil money begins to appear in its treasury, but it is unclear how the State will cover the new, as well as on-going, construction costs.

Who pays the school bill?

Between 1970 and 1976 State government funds for public school education increased from $59 million to $200 million. Operating costs during that period rose 240 percent and construction costs jumped by 200 percent.

And as we have seen, the expenses in the years ahead, particularly in construction, will be even greater. But how should these be paid? Consider the options.

First, the State could pay 100 percent of school construction costs by increasing the State income tax. For example, if it were to add 1 percent to the present 5 percent collection rate, it would receive close to $20 million in the year 1978. This would provide an equitable contribution method for everyone in the State.

Second, the State could pay for the 100 percent of school construction costs with money gained from a statewide sales tax. A tax of 1 percent could produce close to $60 million in one year. This, of course, taxes everyone and could be a problem for cities which already have a sales tax. If the existing source of revenue cannot be spared, people of those communities will be doubly taxed.

Third, the State could require that all areas impose a property tax much like organized boroughs have now. In this way, everyone would have a share in their own local school construction. However, most of rural Alaska — the unorganized borough — does not have regional or local governments with taxing powers. And further, if you consider the population in rural villages it soon becomes apparent that the cost of collecting the taxes and the amount collected would not support the effort, particularly in smaller communities. As with the sales tax, this would reduce the portion of property taxes people now pay for school construction in urban areas.

Fourth, the State and local communities could proceed as they have in the past. The State would provide 50 percent of construction financing in organized boroughs and 100 percent of the cost in rural Alaska. However, this system depends entirely on support from Alaskans through bond proposals.

The Question:

How should public school construction be financed in both organized and unorganized boroughs? (Please check the appropriate box.)

3.

- ☐ **a. 100% State funding through an increase in the State income tax.**
- ☐ **b. 100% State funding from a statewide sales tax.**
- ☐ **c. Local property taxes throughout the State and supplemental funding where needed.**
- ☐ **d. Continue the present system which provides for property taxes plus supplemental State funding in organized boroughs and 100% State funding in the unorganized borough.**
- ☐ **e. Other** _____

Alaska's Land



Distribution of Alaska's Land

Alaska's land is its greatest wealth. It is the home and the parks of its people; it is the source of its oil and gas and minerals; and it is generally the basis of its economic development and its industries.

It is the most valuable commodity we own. And we do own it, whether privately or collectively as residents of the State. Either way, we own a large portion of land in Alaska—103 million acres through the State government and 226 million acres of Federal land.

As an Alaskan, you can participate in the management and choices affecting the 103 million acres of land we received from the Federal government at the time of statehood. This land has not all been selected by the State. As a matter of fact, we have only about 36 million acres today, with another 32 million waiting for approval from the Federal government. But let's retrace the history.

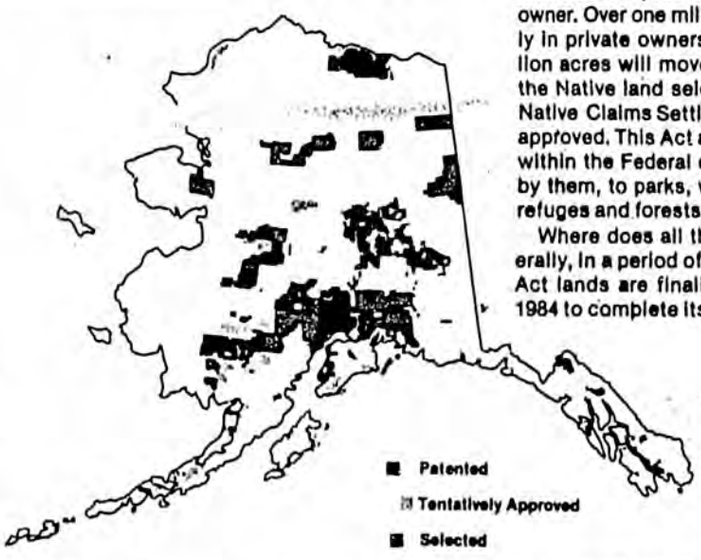
Selection of Lands

In its early days, the State's policy on selection was conservative. The young State had a limited budget and often believed that it should leave lands which benefited from Federal money for fire protection and highway construction in Federal hands. But, more recently, two massive land selections in 1968 and 1972, indicated a new policy—namely, that the value of certain lands now far outweighed the earlier value placed on those Federal funds. These two major selections involved lands which the State thought to be rich in oil and minerals—the North Slope, the Copper River basin, and the Bristol Bay areas, in particular.

Alaska's Land

In total, Alaska contains 375 million acres of land that varies from Southeastern rain forests to the barren lands on the Arctic Slope. The Federal government is by far the largest land owner, with 226 million acres, once State selections have been made. The Statehood Act entitles Alaskans to 103 million acres, making us the second largest land owner. Over one million acres in Alaska are presently in private ownership; and an additional 44 million acres will move into private ownership when the Native land selections, as provided for in the Native Claims Settlement Act, are completed and approved. This Act also sets aside 80 million acres within the Federal domain for possible additions, by them, to parks, wild and scenic rivers, wildlife refuges and forests.

Where does all this activity leave Alaska? Generally, in a period of transition until the Settlement Act lands are finalized. The State then has until 1984 to complete its own selections.



OWNERSHIP OF ALASKA'S LAND

State	28%
Federal	60%
Native	11%
Private	1%

There are several important considerations. Namely, the State has a limited amount of good land for multiple use. It does not have enough quality land to do everything that Alaskans might think desirable. Because of this, management direction should be determined before the remaining 35 million acres of State land is selected.

Management Options

First, the State could manage its lands to encourage the kind of use that will produce the largest profit. For example, if the land has oil and gas or mineral potential which will produce large financial returns for the State, then the management plan should reflect this.

Second, the State could manage its lands primarily to meet people's needs. Lands could be set aside for homesites, for future hunting and fishing use, for public access, and parks and recreation areas. The interests would be determined by the people and the management would provide for the greatest use by all Alaskans. Here State profits would take second place to people's needs.

Third, the State's goal could encourage land management for renewable resource development—agriculture, forestry, fisheries or tourism. This would provide for present, as well as, future revenues from the land.

Fourth, the land management could encourage economic development throughout the State by promoting industrial uses of the land and managing it to accommodate this goal. In some cases, the State could provide incentives to industries. Although this might prove less profitable in the short run, the long term economic gains could make it a worthwhile pursuit.

Fifth, the State could manage its lands to preserve the natural environment. This option would include the protection and maintenance of areas where both wildlife and wilderness could always exist. The natural wealth of Alaska's land would take preference over other land uses.

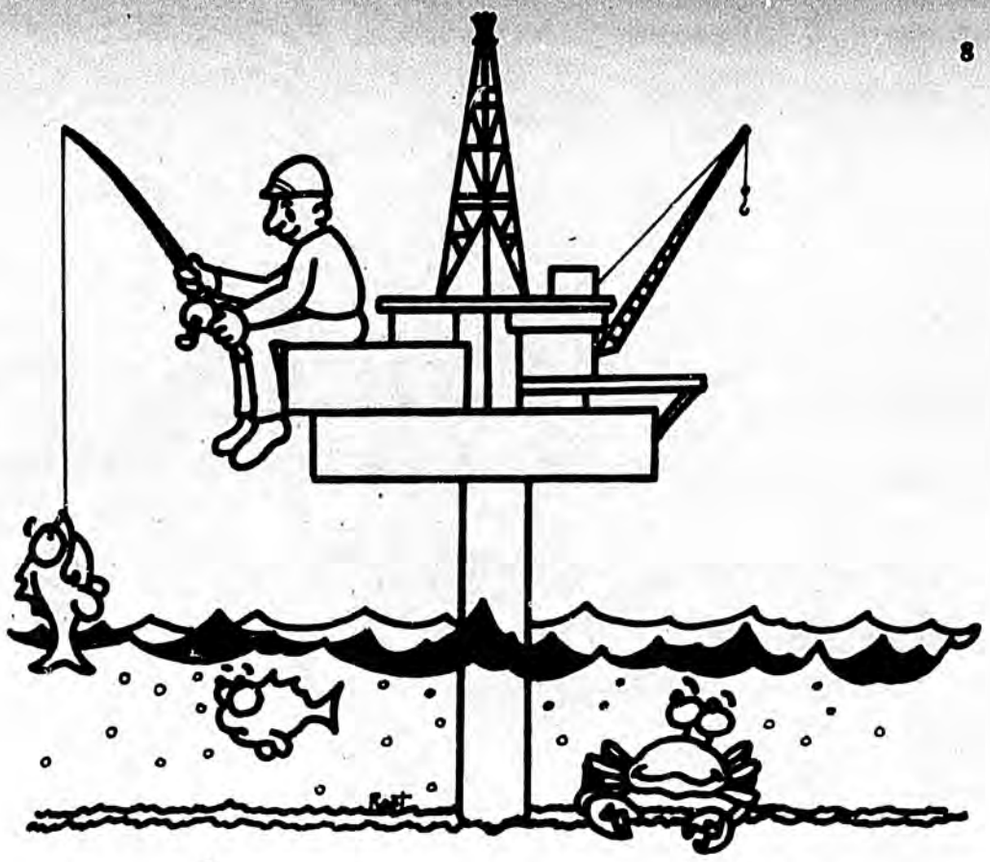
The Question:

What should be the objectives for managing Alaska's land? (Please rank your choices 1 through 5, with 1 the most important.)

4.

- ☐ **a. To raise revenues for the State**
- ☐ **b. To provide land for people's needs**
- ☐ **c. To promote renewable resource development**
- ☐ **d. To promote industrial growth and development**
- ☐ **e. To preserve the natural environment**
- ☐ **f. Other** _____

Leasing our oil and gas lands



Revenues

There is much discussion about oil and gas in Alaska's future, principally for two reasons:

1) The money for the State from those resources is enormous, and
2) The impact on the future of the State, its communities and its people is far reaching.

All the oil and gas activities hinge on one process—leasing the land. Once the state sells its leases, it commits itself to the resource and to some development in that area of the state on behalf of all Alaskans.

The lease itself may bring in a large amount of revenue. But it is a once-only bundle of money, called ***bonus*** money. Additional revenues flow over a longer period of time, if and when oil and gas is found. These other revenues come from taxes on the oil when it is brought up from the ground (***severance*** tax). Last of all, the State receives revenues from the royalty oil and gas—its share in the actual substance. (See section on Our Royalty Riches) It is estimated that the period of oil production and, consequently, its revenues can be expected to continue in Alaska for the next 30 to 50 years.

Impacts

The process that starts the revenue flow begins with the first lease sale. But more than money, the sale will bring with it development of the area. The impacts are far reaching—some of them are productive and some are not.

The State was, to an extent, startled by the impact of the trans-Alaska pipeline. Suddenly, new workers appeared in Alaska. Prices increased, roads became crowded and rents and housing costs soared. For many local communities it became a matter of playing catch-up with these demands. By the second year of pipeline construction, these problems were much more manageable.

We had learned a lot as a State about our capabilities to handle sudden prosperity. Now, for many it is a matter of making the most of those opportunities, such as higher incomes, more services, improved facilities, etc. But these areas may never again resemble the communities they were before the development began. These trade-offs—which simply means you give up some things to get others—must be looked at to understand the significance of oil and gas lease sales.

What Can We Expect

There is much land in Alaska with oil and gas potential. The State government has indicated its own best potential for future oil and gas leasing is probably on the Arctic Slope—in the upland areas just north of the Brooks Range and in the shallow waters of the Beaufort Sea north of Prudhoe Bay.

It also believes that oil and gas might be found on other land it owns, both onshore and offshore, but specifically offshore, in the northeast and northwest Gulf of Alaska, the Aleutian Chain, Bristol Bay, and the Bering Sea. However, there is no proven potential in any of these areas.

For this reason, these sites, described as "wildcat" areas, will require further work, including drilling [illegible] if oil is actually there.

It is likely that State, Federal and Native regional corporation leasing efforts will affect and stimulate each other. For example, the Prudhoe Bay discovery and the trans-Alaska pipeline have "opened up" the North Slope and surrounding areas and some lands along the pipeline corridor to new leasing and exploration by each of the three land owners. It is generally easier and cheaper to extend development in areas already open than in more remote, isolated areas. Since the Federal Outer Continental Shelf (OCS) leasing program is by far the largest in Alaska, it could pull State and regional corporation oil leasing and development activity along in its wake.

At this point, the State has several leasing choices. It could sell them as fast as possible which would bring in a large amount of revenue immediately. Or it could sell its leases at a more constant pace so that there would always be some money coming into the State for its oil and gas as long as the supply lasts. It could sell leases only when it wants to raise extra monies to meet immediate needs. And it could stop further leasing and make the best long term use of the revenues it will receive from Prudhoe Bay production alone.

Alaska's Lease Sales

There have been major lease sales in three areas since statehood:

Cook Inlet—several sales in the 1960's. These resulted in bonus revenues for the State of approximately $95 million. The Cook Inlet fields are still operating successfully and are producing 200,000 barrels of oil a day.

Prudhoe Bay in 1969. The State received $900 million from this lease sale. Oil will begin to flow sometime after mid-1977, at an average peak rate of approximately 1.6 million barrels a day, and tax and royalties could amount to $1 billion a year by 1980.

Kachemak Bay in 1974. This sale brought in $27 million in bonus money, but the sale has produced controversy over the adequacy of public notice and public involvement in the leasing decision. Also at issue is the potential conflict with the fishing industry, if there is oil development. In 1976, the legislature passed a bill asking that the Kachemak Bay leases be bought back by the State.

The Question:

What should be the State's policy on future oil and gas lease sales? (Please check the appropriate box.)

5.

- ☐ a. It should sell leases as fast as possible to bring in a lot of money immediately.
- ☐ b. It should sell leases at a constant pace to assure a steady flow of income for a long period of time.
- ☐ c. It should lease when the State needs large sums of money to meet public needs.
- ☐ d. It should do no further leasing and make the best use of present income.
- ☐ e. Other _____



Our Royalty Riches

What is royalty oil and gas?

A major portion of Alaska's new wealth will come in the form of oil and gas. This share of the actual substance brought up from the ground is the payment, by the producers, to the State, for use of the land. The same principle applies when the private landowner receives royalties—a portion of the actual oil and gas—from the companies that found oil on his land.

In Alaska, we will receive approximately 12½ percent (or 1/8) of all the oil and gas substance brought up from the ground. That is a lot of oil and gas. For example, it is estimated that close to 9.6 billion barrels of oil and some 26 trillion cubic feet of gas will be recovered from Prudhoe Bay. The State's royalty share therefore is approximately 1.2 billion barrels of crude oil and 3.25 trillion cubic feet of natural gas. Another way to look at Alaska's share is: at its peak, the pipeline will provide 2 million barrels of oil a day. In turn, Alaska will receive 250 thousand of those barrels each day.

What will the State do with this wealth? There are several options. But before we look at the specific ways in which we could use this oil and gas, it is important to note the peculiarities of these two substances. Specifically, if you wish to use the oil for either private or industrial in-state activities, the substance first must be ***refined.*** Oil just out of the ground is unusable in that form and for that reason it is called ***crude.*** Therefore, any in-state use of oil will mean that a refinery must be located in Alaska to convert the oil from crude to gasoline or other products.

Gas may be used essentially as it is when it is removed from the ground, but it must be transported from the well site to the site where it will be used—a private home or a business, for example. If the gas is to be sold out of State, it must be ***liquified*** before it can be transported by tanker. A liquefaction plant must be built to meet this need. To skip the liquefaction process, the gas could be transported to outside markets by an overland pipeline.

Therefore, in some cases the oil and gas would require in-state industrial development before it could be used. The development may be relatively small, but it is important to remember when you consider the options.

Options for Use

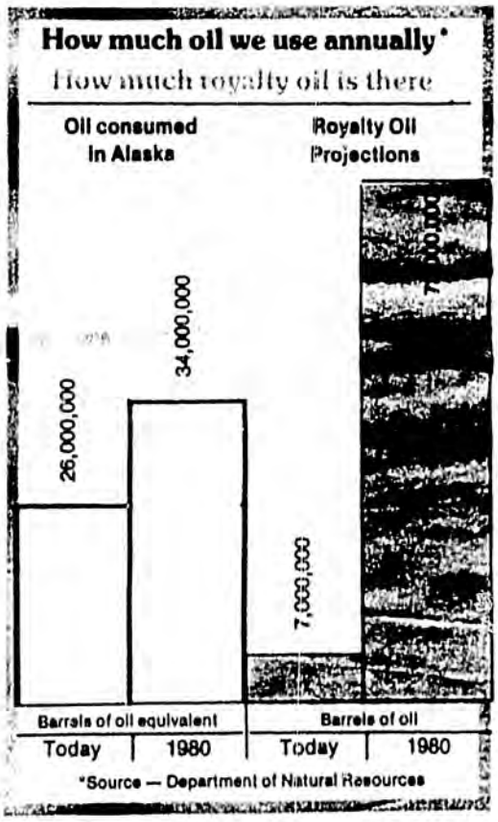
There are a number of ways the State could use its royalty wealth. ***First,*** the state could sell its oil and gas on the outside market for profit, which would give the State an additional source of money. The sale could be made in two ways: 1) The State could let the oil companies at Prudhoe Bay sell the oil as it comes out of the ground at the ***wellhead price***—the going price at the well. It would then give the State its 12½ percent royalty share in money. Or 2) the State could take the 12½ percent in actual oil and gas which it could sell on the open market on the chance that it could get a higher price for it.

Part of the money—a minimum of 25 percent—would go into the Permanent Fund. (See section on New Money for Alaska.) Further, there are many who feel that the money could be kept safe with little effect on Alaska's growth, and ultimately be of more benefit to the people of the State as cash than as oil and gas.

A ***second*** option could promote industrial development in the State. To do this, Alaska might sell the oil and gas to industries, perhaps at a lower rate than it might get on the open market, in order to create the incentive for them to locate in the State. Two types of industry might develop: 1) those that need large amounts of oil and gas to operate, i.e. mineral processing, and 2) ***petrochemical*** industries, those that produce oil and gas based products i.e. fertilizers and plastics.

In this case, as with most industrial development, benefits such as job opportunities and improved services must be weighed against the possibility of increasing the population and environmental impact.

A ***third*** option for the royalty oil and gas would use it within the State for individual energy needs—gas for your car, heating fuel for your home. This, as with the second option, would provide less revenue for the State but would insure that Alaskans have an available supply of energy. The State might ask Alaskans to buy the oil and gas for their personal use at the market price or at a discount rate.



The Question:

What is the best use of Alaska's royalty oil and gas? (Please check the appropriate box).

6.

- ☐ **a. The State should sell its royalties to make money.**
- ☐ **b. The State should use its royalty oil and gas primarily for promoting industrial development in the State.**
- ☐ **c. The State should provide in-state residential use of the royalty oil and gas.**
- ☐ **d. Other** _____

The Alaska Public Forum Questionnaire

Please fill out this questionnaire. There are decision-makers who want to know what you think. Right now, your opinion can make a real difference in the future of Alaska. Answer the questions, tear off the back page and mail your opinions to us. Thank you.

1. The Question:

A. How should the Permanent Fund money be invested? (Please rank your choices 1-4, with 1 the most important)

- ☐ a. Save it
- ☐ b. Loan it to communities
- ☐ c. Loan it for industrial development
- ☐ d. Loan it to develop renewable resource industries
- ☐ e. Loan it to individuals
- ☐ f. Other

B. How should the State use its new oil and gas money? (All revenues except those invested in the Permanent Fund.) (Please rank your choices 1-4, with 1 the most important)

- ☐ a. Use it for tax cuts for Alaskans
- ☐ b. Use it for cash payments to Alaskans
- ☐ c. Use it for more community revenue sharing and community grants
- ☐ d. Use it for more State services
- ☐ e. Save it by increasing the Permanent Fund
- ☐ f. Loan it to communities
- ☐ g. Loan it for industrial development
- ☐ h. Loan it to develop renewable resource industries
- ☐ i. Loan it to individuals
- ☐ j. Other _____

2. The Question:

What areas of human need do you feel require most attention? (Please rank your answers 1 through 8 in order of importance with 1 as the most important need.)

- ☐ a. Alcoholism
- ☐ b. Care of Children
- ☐ c. Education
- ☐ d. Programs for the Elderly
- ☐ e. Employment
- ☐ f. Health care
- ☐ g. Housing
- ☐ h. Other _____

3. The Question:

How should public school construction be financed in both organized and unorganized boroughs? (Please check the appropriate box.)

- ☐ a. 100% State funding through an increase in the State income tax.
- ☐ b. 100% State funding from a statewide sales tax.
- ☐ c. Local property taxes throughout the State and supplemental funding where needed.
- ☐ d. Continue the present system which provides for land taxes plus supplemental State funding in organized boroughs and 100% State funding in the unorganized borough.
- ☐ e. Other _____

4. The Question:

What should the objectives for managing Alaska's land? (Please rank your choices 1 through 5, with 1 the most important.)

- ☐ a. To raise revenues for the State
- ☐ b. To provide land for people's needs
- ☐ c. To promote renewable resource development
- ☐ d. To promote industrial growth and development
- ☐ e. To preserve the natural environment
- ☐ f. Other _____

5. The Question:

What should be the State's policy on future oil and gas lease sales? (Please check the appropriate box.)

- ☐ a. It should sell leases as fast as possible to bring in a lot of money immediately.
- ☐ b. It should sell leases at a constant pace to assure a steady flow of income for a long period of time.
- ☐ c. It should lease when the State needs large sums of money to meet public needs.
- ☐ d. It should do no further leasing and make the best use of present income.
- ☐ e. Other _____

6. The Question:

What is the best use of Alaska's royalty oil and gas? (Please check the appropriate box.)

- ☐ a. The State should sell its royalties to make money.
- ☐ b. The State should use its royalty oil and gas primarily for promoting industrial development in the State.
- ☐ c. The State should provide in-state residential use of the royalty oil and gas.
- ☐ d. Other _____

7. The Question:

What other important State problems do you feel should be considered? (Please provide questions and possible answers. You may continue your answer on the top of the back page.)

Please tell us:

Did you receive this newspaper from
☐ workshop ☐ town meeting ☐ other

Your community _____

Your age _____ **Male☐** **Female☐**

What kind of work do you do? _____

How long have you been in Alaska? _____

Bulk Rate

#960 766

THIS MAY BE A SUPPLEMENT TO:

A.

Anchorage Daily Times	Ketchikan Daily News	Valdez Copper Basin News	Peninsula Clarion	Pioneer All Alaska Weekly
Anchorage Daily News	Sitka Sentinel	Petersburg Pilot	Nome Nugget	Palmer Frontiersman
Fairbanks Daily News-Miner	Kodiak Mirror	Wrangell Sentinel	Cordova Times	Tundra Drums
Southeast Alaska Empire	Homer News	Seward Phoenix Log	Tundra Times	The North Wind
				The Chilkat Valley News

Fold Here

To Mail This Questionnaire

1. Tear off this page.
2. Fold Flap "C" over Flap "A" with address on the outside and staple or tape where indicated.
3. Mail the folded page — No postage is necessary.



B.

Fold Here

Alaska Public Forum
Workshop

Business Reply Permit

#148

BUSINESS REPLY MAIL

No Postage Stamp Necessary If Mailed in United States

Postage will be paid by

Alaska Growth Policy Council
429 D Street, Suite 310
Anchorage, Alaska 99501

C.

Fold this flap last

Tape or staple here

STATE of ALASKA

MEMORANDUM

ALASKA GROWTH POLICY COUNCIL
ALASKA PUBLIC FORUM

TO: Alaska Growth Policy Council

DATE : March 4, 1977

FROM: Diane Burgin

SUBJECT: Mid Year Report - Round II

Here is the second and almost final round of the mid-year report. Once again, for the sake of time, I will be proofing it after it has been mailed to you so please excuse the errors. (I've also discovered that the lede on the Southcentral Profile is not quite right so I will be redoing that paragraph, for sure. I expect that I will run into other areas here and there that need a bit of help too.) In the meantime, I will be reviewing it as you are.

Please, please try to get your comments to me as soon as possible. I will station myself by the phone Monday and Tuesday to await your suggestions. I hope to be able to get the final copy to the type shop Wednesday or Thursday. They will need three to four days. Then Phyllice Bradner who is helping me with the graphics will need another four days to put the camera-ready copy together which she will take to the State print shop in Juneau. At that point, it will take another week at the printers. You can see my concern for speeding up our part of the process.

Thank you very much for making room in your busy schedules. Won't it be nice to have it out!

Alaska
PUBLIC FORUM
A program of the Alaska Growth Policy Council

VOLUME I NUMBER I

January, 1977

Northwest Alaskans attend Public Forum meetings

On December 4, Governor Jay Hammond, Senator Frank Ferguson and representative, Leo Schaeffer sat in the Kotzebue School listening to over 100 people discuss the future of Alaska. It was the second Alaska Growth Policy Council regional workshop called the Alaska Public Forum.

The participants had come from throughout the Northwestern part of the state to talk about the six Public Forum issues and their local concerns. Like the Southeast workshop, the program began with the selection of local issues by participants which in this case were alcoholism, transportation, communications and fisheries.

On alcoholism, participants recommended that a tax be put on alcohol beverages to pay for rehabilitating the alcoholic. On transportation, Wien was severely criticized. "Our goods come ruined, produce is frozen, frozen foods arrive defrosted, mail is weeks late," commented a participant. On communications, it was suggested that there be more than one phone in each village. Finally, people discussed fish hatcheries as a possible solution to poor fish runs.

In workshop groups attended by the Governor, participants discussed the six questions which the Growth Policy Council is taking throughout the State. The following information is only a concensus from the Kotzebue workshop but not the unanimous opinion in each case.

Leasing Oil and Gas Lands—Lease at a moderate rate and involve the local community in the process. It was suggested that training programs could provide opportunities for local hire.

Royalty Oil and Gas—Should be kept for instate use but prices should be made equitable throughout the State.

Local meeting held

Meetings were held throughout the Northwest so that people who could not attend the Kotzebue workshop could still participate in the Public Forum.

For example, in Nome, despite the season's first basketball game on the same night, people turned out in force to discuss the State's future with their representative, Al Nakak and Growth Policy Council member, Leonard Lane. Heading their concerns was oil leasing impact on the city of Nome. "Front Street could end up looking like 2nd Ave. in Fairbanks if we don't plan ahead," said one participant. People also expressed the need for more efficient air cargo service.

In the small village of Deering, residents voiced the need for jobs for local people and a seawall to protect the village. They urged the State to help isolated communities who haven't the means to meet all their own needs.

Meetings were held from Shungnak to Stebbins as a part of the Alaska Public Forum.

Kotzebue issue recommendations

Oil and Gas Wealth—Develop renewable resource industries i.e. fishing and herding. Use it for community revenue sharing and grants and loan it to communities.

Human Needs—Education, Alcoholism, Housing, Health.

School Construction—100% State funded from the General fund.

State Lands—encourage renewable resource development and provide for individuals needs.

Workshop held in Ketchikan

Over 100 people attended the first of seven Alaska Public Forum meetings in mid November in Ketchikan—among them Governor Jay Hammond and Representative Terry Gardiner. It was the start of the Alaska Growth Policy Council's year of workshops with Alaskans and a follow-up to its Haul Road meetings.



Growth Policy Council members (L to R) Harold Pomeroy and Lt. Governor Lowell Thomas sit with Governor Hammond at the Southeast Regional workshop listening to participant, Judy Slajer report on group discussions.

Participants came from 18 communities throughout the Southeastern part of the State. Some were selected at random from voter registration lists and all represented a cross-section of the area from fisherman to choir directors, bartenders to legislators, teachers to loggers.

Many such as Ida Kadashan from Hoonah had never participated in anything like the Public Forum before. Many like Charlie Jim from Angoon had never been so close to the Governor. And many, like the mayors of four communities recognized the Public Forum as an opportunity to participate with others in shaping Alaska's future.

First, participants voted to discuss transportation, energy and fisheries as issues of local concern and after doing so, reported their thoughts to the Governor. On transportation, they asked for improvements in the ferry system. Said one participant: "After all it is our highway." On energy, people recommended hydro-electric power for Southeast. On fisheries, citizens asked the Department of Fish and Game to become sensitive to public needs and requested there be serious efforts to rehabilitate the depleted reserve of fish.

It also became clear that land availability was a personal concern to the people throughout land poor Southeast. "I just want to buy—not get a handout—buy, about five acres of land to raise chickens and a garden," said one participant.

Next, Public Forum participants discussed the six major issues which the Growth Policy Council is taking to the people of Alaska. Although each workshop came up with a consensus, there were not necessarily unanimous recommendations. Majority as well as minority reports were presented to the Governor.

Ketchikan issue recommendations

Oil and Gas Wealth—Develop renewable resources, i.e. fishing and timber. Use it for community loans or larger shares of revenue sharing and grants. Save it.

Human Needs—Education, Alcoholism, Care of children.

School Construction—Continue with taxes and supplemental State funding in organized boroughs and 100% State funding in the unorganized borough.

State Lands—Encourage renewable resource industries but retain multi-use land. Participants urged that more land be made available for homesites.

Leasing Oil and Gas Lands—Lease at a moderate rate for a steady flow of revenues.

Royalty Oil and Gas—Meet Alaska's residential needs and any excess should be sold to increase State revenues.

Growth Council listens to Southeast Alaskans

The Alaska Growth Policy Council met with Southeastern Alaskans from Haines to Craig in local evening meetings patterned after the Public Forum regional workshops. Although the Council cannot reach every community, it tries to talk to as many people as possible.

Council members do not look for unanimous decisions on the six Public Forum questions but participants often reach a consensus of opinion. What follows are some general thoughts from several of the Southeast meetings. Often these ideas were repeated in more than one community:

Most communities, 1) expressed the need for more land at affordable prices for homesites and 2) stressed that new oil and gas monies should **not** be used to move the Capitol.

In **Sitka**, people told the Growth Policy Council that the State should make land available at a low cost for residential use, save as much of its oil wealth as possible, finance education 100% and discourage development for development's sake in order to preserve the Alaskan way of life.

In **Wrangell**, participants thought hydroelectric power should be harnessed as an alternate energy source. On the distribution of land people asked why a state as big as Alaska with as few people should have so little land available to build homesites on.

In **Petersburg**, people generally agreed that the new oil and gas money should be invested in renewable resource industries and that the money should be invested in instate projects and used responsibly.

In **Haines**, participants urged that there be more local industry reflecting the town's recent hardship i.e. both mills, the primary sources of employment, had closed down leaving most people in the town jobless.

Angoon comes to Ketchikan

Angoon sent some of its finest residents to the Ketchikan Public Forum workshop. Charlie Jim was selected at random by the Forum to represent his village. Mayor Peter Jack and community representative Jay Levan also came because they all wanted to tell the Governor that the people of Angoon needed help after a disasterous fishing season.

"The best fisherman made only $5,000 when he usually makes $15,000 a year," commented Jay Levan. "One man's catch for a day was 7 fish. And that's their only source of income for the year."

Close to the end of the weekend, during a discussion of fisheries rehabilitation, Charlie Jim had his chance to address the Governor.

In a quiet voice he told of the people who were arrested for fishing in closed areas; he spoke of the expense involved in fishing for the people of his village and if they cannot fish for food they cannot survive; he told the Governor if they have to fight in the courts they will to avoid such hardships. "Fish and game sell us fishing licenses, gear licenses and commercial licenses and then we can only sit on the beach and watch the fish go by."

Then Charlie Jim presented a formal report to the Governor. Hammond received it with a promise that he would see to the problems.

Later, Jim explained that he had stopped talking to the white man a long time ago and had not been sure whether to attend the Public Forum. Now, he concluded, it might be time to start talking again because it seems people are listening.

PUBLIC FORUM WORKSHOPS

- South Central Region, Anchorage, January 15, 16
- Copper River Region, Glennallen, February 11, 12
- Southwest Region, Bethel, March 5, 6
- Gulf Coast Region, Cordova, March 26, 27
- Interior, Fairbanks, April 16, 17

About your concerns: Alaska's land

Alaska, through the Statehood Act, is entitled to select 400,000 acres of forest land from the Chugach and Tongass National Forests. At this time, it has chosen only 54,785 acres. This has affected Southeastern Alaskans more seriously than people in any other part of the state. Geographically, Southeast is largely water and mountainous timber land, the latter, the Tongass National Forest, owned by the U.S. Forest Service. With no room to move, people have long requested the State for more land to meet their needs.

Now, as a result of the Alaska Public Forum and other public expressions of needs, the Department of Natural Resources has set the wheels in motion to develop a comprehensive plan for state selection in both National Forests areas.

Commissioner of Natural Resources, Guy Martin, explained in a recent speech:

To facilitate immediate land selections the State sent out nomination packets to communities, interested groups and agencies asking them to identify priority lands. This is the first phase of a planned two-phase process...

Phase two of the land selections process will begin early in 1977 when "communities, government agencies, interest groups and others will be asked in a responsible way for responsible nominations."

Sitka is the one community in Southeast which seems to have the greatest need for land selections at this time, Martin indicated.

The State will be developing its comprehensive National Forest selection program over the next year and before they are concluded there will be a chance for a public review of the selection sites.

If you are interested in more information about state land selection in National Forests, you may request a copy of their free information packet from: The Forest Land Selection Team, c/o The Office of the Commissioner, Department of Natural Resources, Pouch M, Juneau, 99811.

Speak Out on Land . . .

The following section includes some of your comments from the Alaska Public Forum questionnaire. We have taken the subject of land because it relates closely to the story on this page, ABOUT YOUR CONCERNS. Please write us with any comments you have on these thoughts below or on the area of Transportation which will be out next Speak Out Issue. Send your comments to: Alaska Public Forum-Speak Out, 429 D Street, Suite 310, Anchorage, Alaska 99501.

KETCHIKAN:
"We need more highway construction in order to open up more land for additional industrial development. Alaska is such a large state with such a small population that all living costs are higher than in the South '48. More people would generate more money in the economy thereby lowering the cost of living."

PETERSBURG:
"Should public lands be available for homesite or homestead development? Yes, with time limitations on development."

JUNEAU:
"The environmental impact on virgin land is easily the biggest cost we need to consider."

NOME:
"The Department of Natural Resources should have a Commissioner in the Division of Lands to control the distribution of land and to sell or lease it, whichever is profitable."

SITKA:
"Release land for homesteading and make federal lands available for long-term leasing."

WRANGELL:
"I believe that the state should use its oil and gas money to purchase vast tracts of land for its own use. (The Federal Government doesn't need it.) This land should be made available to industry and the public for its highest economic use."

KETCHIKAN:
"The state should complete their land selections and make some available for private ownership. With the vast area of government land it is morally wrong for land prices to be so high now that young people cannot afford to buy a lot on which to build a home."

HAINES:
(There should be) "utilization of the state's potential food-producing areas, without jeopardizing the environment. Surely this can be realized."

KUPREANOF:
(There should be) "rehabilitation of lands messed up by mining and establish a tax structure to enforce rehabilitation in the future."

Come to the Forum*



[Not just another boring meeting]

*The Alaska Public Forum
Alaskans deciding Alaska Issues
Coming to Anchorage the weekend of January 15th & 16th

The South Central Workshop

The South Central Regional Workshop will be held in Anchorage on January 15 and 16. Meetings will be held in five schools —Clark, Romig, Dimond, Service-Hanshew and Pioneer Schoolhouse—simultaneously on Saturday. On Sunday, the groups will report the recommendations from each of the sessions to the Governor and legislators. These reports will be televised on KTVA Channel 11 in Anchorage at 5 p.m. Sunday afternoon, January 16.

Representatives from the Anchorage, Kenai and Matanuska-Susitna boroughs will take part in the workshop. Smaller local community meetings will be held in late January and early February.

Dear Alaska Public Forum Friends:

The Alaska Public Forum is well underway and your enthusiasm has made it a tremendously exciting experience for all of us.

Already we have learned a great deal about the concerns you and other Alaskans have. It is interesting for us to note that many of the problems of Southeast Alaskans are shared by the people from the Northwest. While one worries about improving the ferry system, the other is anxious that plane service be more responsive to people's needs, but both are concerned with transportation.

The Alaska Public Forum has held two regional workshops, one in Ketchikan for the Southeast and one in Kotzebue for the Northwest. It is now preparing for its third in Anchorage for the South Central region.

Both Governor Hammond and the legislators who have participate in the Forum have expressed great support for the process and the opportunity to meet directly with people throughout the state. It is a new concept and your participation is proving to state leaders that the people of Alaska are in fact decision-makers.

We hope you will continue to participate in the Alaska Public Forum by sending us your comments for the Speak Out section and by encouraging others in your community to fill out and mail in the questionnaire in the Public Forum newspaper.

Thank you for your participation.

Lowell Thomas, Jr.
Lt. Governor, State of Alaska
Alaska Growth Policy Council, Chairman

How the Alaska Public Forum findings will be used

You have worked hard to provide us with a lot of important information on state and local issues. What will happen to all of that material?

First, through this and following bulletins, participants from one region may learn the ideas and recommendation of people in other areas of the state. There will also be further information on issues you have identified. In this way the information will circulate statewide.

Second, a regional report will be written which reviews the results of regional workshops, local meetings (community by community) and questionnaire answers. This document will also contain a list of participants and organizations. It will be made available to the Alaska Public Forum participants from that region, the Governor, the legislature and committees, and state officials.

Third, a mid-year and year end report, both written and video, will be turned over to the Governor, legislature and state officials. The comprehensive video summaries will also be sent to television stations statewide and made available through the Department of Education film library to anyone around the state interested in viewing it. (There will be more information on this as the mid year report reaches completion.)

Finally, there are plans to formulate state policy and legislation based on your participation. Later this year, we hope to bring participants together with state leaders to accomplish this goal. You will hear more of this in upcoming bulletins.

ALASKA GROWTH POLICY COUNCIL
429 D Street, Suite 310
Anchorage, Alaska 99501

BULK RATE
#960 766
Anch. Ak.

*TO GET YOUR PUBLIC FORUM ISSUE PAPER PLEASE SEND A REQUEST TO THE ALASKA GROWTH POLICY COUNCIL AT THE ABOVE ADDRESS.

Alaska Public Forum Friends:

What you will find on the following pages is the compilation of the first half of the suggestions for the Alaska Public Forum program. It is the opinions and words of over 2,000 people who have attended community meetings and regional workshops representing a total of 49 communities throughout three regions--Southeast, North and Southcentral. It is the work of three and a half months, eleven Growth Policy Council members, a fulltime staff of six, and numbers of volunteers.

When we ask people to participate in the Alaska Public Forum, we ask them what they think about some major state issues identified by the Governor, legislators, state officials, the Growth Policy Council and people throughout Alaska.

The summary of suggestions on the questions from the three regions is written from two sets of information 1) the results of the Public Forum meetings based on notes and recordings; and 2) the tabulated responses of the Alaska Public Forum questionnaire which people fill out and return either after attending a meeting or on their own having retreived the questionnaire from a newspaper insert.

These two forms of information have the potential to provide very different responses to the questions. One of the exciting features of the public forum meeting is that people have the opportunity to sit together and reach a consensus on different subjects. This option is not available to the participant who fills out his form alone at home.

A second and important consideration for the reader is that there has been a major effort made in every regional meeting to have representatives from throughout the area attend and present their local viewpoints. The method has been to select participants at random from voter registration lists and bring those that accept the invitation, into the location of the regional meetings. From the comments we receive, "I've never sat down at the same table with so many different types of people before,"

it appears that there is generally a good cross-section of people. In large part this seems to be the success of the Alaska Public Forum so far. Yet it also means that many of these participants have never been involved in anything like the Forum before. Within a short amount of time, workshop participants receive information from the newspaper publication, the small group moderators, state resource people and often, each other. This option, with the exception of the newspaper information, is not available to the participant filling out the form at home.

The base of information from which the answers spring must be considered and varying interpretations on subjects such as tax cuts, or land for public needs for example, must all go into any analysis of the findings.

Most important, what you will find are a series of comments, a grouping of statistics, an indication of what we've heard, but there is always so much more-- so many innovative ideas, imaginative suggestions, sensible solutions. We've tried to weave those in but it is impossible to cover it all. And with that caution, we present the first half year of the Alaska Public Forum.

Sincerely,

Lowell Thomas, Jr.
Chairman
Alaska Growth Policy Council

A THANK YOU

To the People of Alaska who have given the State their time, energy and enthusiasm through the Alaska Public Forum, reconfirming their belief in the democratic process and the future of Alaska.

And to State Leaders who can respond with sensitivity to the People of Alaska through their leadership and policy decisions.

The People Who Make the Public Forum Work

It's the people, pure and simple. It's the people who give up an evening or even a weekend to find out what the Alaska Public Forum really is, only to find out that they are the Forum.

We don't know how or why it evolves as it does. But we who are closely connected with the Public Forum have had any previous skepticism stripped away by the people who have come to work with us. They come hesitantly, cynically, reluctantly, expectantly, curiously, and sometimes late. They come to listen, to complain, to learn and to lobby.

Some come because the Governor has offered to bring them to a regional center at his expense to talk to him and local legislators. Others come because they have a cause, something they want to get off their minds, in person, not through a letter.

A few people come timidly because they have never been out of their communities before and they don't know what they're going to say. But after all, the Governor asked them, so they should go. Some people have a great deal of experience at the supermarket, gas station, and at local school meetings but have no experience with government and no idea what such things as "royalty oil and gas" mean. But what better time to find out and maybe meet the Governor.

Whatever motivates them, and msot generally from evaluation comments it appears to be curiosity, people do come to the Public Forum bringing with them their interests, experiences and perspectives. But even more exciting, they stay. Not for an hour or two, but for the whole day. And they come back on Sunday. They talk. First, hesitantly, but then more readily, anxious that the group understand exactly what the issues mean to their own community, or their family, or their schools. They talk with each other; they participate.

It is a remarkable experience to sit at a table and watch a fisherman, a teacher, a student, a welfare worker, a self-employed businessman, a subsistence hunter, a

legislator, a bookkeeper, and a Teamster trucker exchange ideas about the future of Alaska.

And what is most important about the Alaska Public Forum is that before these people leave the table, they generally have reached a consensus, not unanimous agreement, but a consensus about almost every issue. They might vote one way as individuals answering each question, but placed in a group where they must consider other interests and trade-offs, participants become policy-makers. Their considerations become broad; their basis for selecting answers far less personal and far more sensitive to the general good.

It is these people then, their hard work, their commitment to the future of Alaska, their determination to give the democratic process another try, and their beoief that someone is listening that has made the Alaska Public Forum's first half year a very important experience. It is the people's sincerity and energy that will help us keep their opinions before decision-makers.

We begin with this report.

The Alaska Growth Policy Council
March, 1977

ABOUT THIS REPORT:

This mid-year report is divided into several sections which discuss:

- Background or What we've done, how we've done it, where we've been and who's been there.
- A breakdown of recommendations on the seven questions or What the people think about some major State issues.
- A summary, some secondary suggestions and program evaluations, or Where we can go from here.

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ALASKA GROWTH POLICY COUNCIL MEMBERS

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Snow Goose Productions

This report was written and edited by Diane Burgin.
The Southcentral portion was written by Cathy Allen
Graphics by Snow Goose Productions
Tabulation and analysis of questionnaires by Jack Kruse, ISGR University of Alaska

Background

What and How

THE ALASKA PUBLIC FORUM

The Alaska Public Forum is the people of Alaska discussing major state issues and making recommendations on them to the Governor and state leaders. It is the leaders of the state listening to these suggestions and incorporating them into the decisions that will shape the future of Alaska.

The Public Forum is a program of the Alaska Growth Policy Council, an eleven member board created by Governor Hammond to provide him with a broad range of citizen recommendations on major state issues. Through the Alaska Public Forum, the Council is taking six issues of immediate state concern to the people of Alaska and listening to a seventh issue area chosen by the people, the latter providing a regional perspective. The public makes recommendations on these seven issues through regional workshops, local community meetings, and mail-in questionnaires. Their comments are turned over to decision-makers--the Governor, legislators and state officials for action.

The overall goal of the Alaska Public Forum is to open the communications network between Alaskans and their State leaders by broadening people's participation in developing major state policy, particularly in areas that have the most serious implications for the future of all Alaskans.

BACKGROUND

Determining the Issues

The early months of the Public Forum were spent selecting the six major issues. The Growth Policy Council, working from a list of concerns itemized by Governor Hammond, made suggestions and passed them on to the legislature and state agencies for comment.

The product of this was taken to the public, inviting recommendations through letters and a statewide meeting held in Anchorage on October 20, 1976. The Growth Policy Council then made its final suggestions to Governor Hammond based on all the above involvement.

Informing the Public

Once the issues were chosen, background on them was written up in the Alaska Public Forum newspaper. The first edition was completed in time to serve as the agenda for the first regional workshop held in Ketchikan on November 13 and 14.

It should be noted that the first edition of the newspaper was tested in both the Southeast and Northern regions of the state. Problems were noted and corrected for a reprinted version used in the Southcentral and subsequent regions.

The newspaper is an educational package as well as the agenda for the Forum process. It poses a question, suggests possible options and provides background information on each issue. It defines terms such as "renewable resources" and "royalty oil and gas" and discusses previous state policy like the use of oil and gas revenues so that Public Forum participants have a framework in which to view the state's present situation.

The Alaska Public Forum newspaper is the key tool in the program so it must be distributed widely in order to get maximum participation. The principle method is to place it in local newspapers.

Then there are the meetings.

The Public Forum is the people who participate, but the outreach to spark the enthusiasm of a community is a long process. Like it or not, Alaskans are "workshopped to death". These days, reaction to a meeting is rarely more than a ho-hum. But anyone who has had anything to do with the Alaska Public Forum will support the Anchorage workshop theme--Not Just Another Boring Meeting.

The effort to explain this generally begins several months before the workshop. It begins with the enthusiasm for the Alaska Public Forum. The rest, then, becomes easier. It can include as many as two or three pre-workshop trips by staff and sometimes Growth Policy Council members. It involves time aside to appear on radio and television talk shows; creating and taping public service announcements, news stories and newspaper advertisements, endless appearances at luncheons and dinners for the Lions, the Rotary, the Chamber of Commerce; it involves presentations to city councils, village councils, Native Corporations--profit and non profit; discussions with business, school, and government officials requesting their help to notify their employees; it includes mass distribution of the Public Forum newspaper through local mailboxes, and community papers; and hours of time around town leaving newspapers on store counters and hanging posters telling people when and where; it means time aside to talk to senior citizens' lunch groups, church meetings, social service gatherings, and of course visits to bingo games. And it means, after all this, to find out that three days earlier the school

scheduled a make-up basketball game--the town's season opener the same time as the Public Forum meeting. But the day of the workshop arrives and the people come. And once they are there, they usually become supporters.

All this activity occurs for both types of Alaska Public Forum meetings--the regional and the community meeting. However, for a regional workshop there is one added step--inviting the "randomly selected participants". It starts by pouring over voter registration lists, mathematically counting and selecting the names of people from every area of a region. These people are then sent a letter from the Lt. Governor asking them to participate in the Public Forum as the guests of the Alaska Growth Policy Council. If the person expresses an interest, a follow-up letter is sent from Governor Hammond. Others letters of invitation are sent to community leaders throughout a region but only those randomly chosen have their expenses paid by the Public Forum. In this way, people who don't usually attend meetings are invited and encouraged to participate. And after the newness of the first few hours, they generally make use of the opportunity and jump right in.

Regional Workshops

There are seven regional workshops scheduled for the Alaska Public Forum. The first three regional meetings have been held:

Southeast	North	Southcentral
Ketchikan	Kotzebue	Anchorage
November 13, 14	December 4, 5	January 15, 16

The regional workshops are two day meetings. On the first day,

participants break into small workshop groups to discuss the six issues and a seventh which all the participants have voted their most important concern. The second day, group spokespersons report the recommendations of their small groups to a general session. At that time, people can discuss majority and minority views on each issue.

There are resource people on hand at each regional workshop and at some community meetings to provide background on the technical issues. These resource people are usually State persons familiar with all aspects of a given area, i.e. oil and gas, lands, health and social services, etc.

Community Meetings

The second type of meeting, the community meeting, is usually held in several locations throughout each region. Generally, it takes place in the evening and is three to four hours in length. This means that the amount of discussion on each issue is less detailed than in a regional meeting. It also means that an abbreviated format is used. If the participants break into small workshop groups, they only have time to discuss two or three issues and then report those back to a general session later in the evening. In some community meetings, participants only meet as one large group and discuss the options to each question in a general session.

Barrow provided an exception to both the local evening meetings and the regional workshop format. In this study, the North Slope is treated as a part of the Northern region but participants from the North Slope did not attend the Kotzebue regional workshop because of the enormous travel expense. Instead, a special one-day meeting

was held in Barrow, January 29, with representatives from six North Slope villages among the participants.

The Governor, Legislators, and Growth Policy Council

The Governor has been a regular participant in the regional Public Forum meetings, as have local legislators. In Southeast, the Governor spent the second day of the weekend listening to recommendations of workshop participants. In the North, he spoke with participants on the first day of the workshop and along with legislators attended the small group discussions to watch the recommendation process evolve.

Finally, in Southcentral, on the first day, he visited small group discussions at five meetings around Anchorage. On the second day, he, along with many local legislators, listened to and discussed the results of these small meetings at a general session at the Captain Cook Hotel.

Throughout all the meetings, members of the Growth Policy Council have moderated and recorded the proceedings in order to document the recommendations and various ideas of participants. These, along with questionnaire tabulation will be formally presented by them to the legislature and the Governor through this mid-year report and a year-end summary.

The Questionnaire

The third method of participating in the Alaska Public Forum is by filling out and mailing in the questionnaire on the back page of the Public Forum newspaper. This can and has been used by a wide range of people above and beyond workshop participants. The results of these suggestions have been tabulated and codumented in this report, but because the questionnaires continue to arrive every day the information is current but not final.

Funding

The Alaska Public Forum operates on a budget of $290,000 approp-

riated by the State legislature and supplemental funding of $60,000 from the State Department of Commerce and Economic Development; $40,000 from the State Coastal Zone Management Program and $25,000 from the Alaska Humanities Forum.

The Recommendations

People who have participated in the Alaska Public Forum have given their time, energy and enthusiasm to the process. They spend long hours analyzing every Public Forum issue. They look at the positive and the negative side, what it means to their culture, their family, their schools, their communities, their employment. They discuss the trade-offs implicit in each decision and then they vote for what they think State leaders ought to do.

Common comments on the Forum range from "Why couldn't it have been longer?" to "We'll see if anyone is really listening." But, almost everyone seems anxious that the process continue. For this reason, follow-up is very important.

Follow-up in this case means respecting the energy and the expectations of the people who have participated in the Forum. And follow-up carries with it a responsibility for two groups of people: 1) The Alaska Growth Policy Council, who first will see that the suggestions of participants reach the State's decision-makers; and second, keep in touch with participants so that the Forum is in fact a continuing process; and 2) State leaders who will make every effort to act on these recommendations in a serious, thoughtful manner.

The Public Forum recommendations come in two forms which make the findings unique.

First, out of the regional workshops and community meetings come recommendations often in the form of group consensus. These are valuable because they are the result of discussing trade-offs and often

provide a balance of community and State, personal and group needs. The suggestions are generally a group's assessment of the "best way to go". As one participant explained in a Letter to the Editor in the Anchorage Times:

> "For those attending, (a Public Forum regional meeting,) it was a small taste of what our men in Juneau go through when they have so many things to learn at once and so little time in which to come up with the right answers."

Second, the Public Forum asks both workshop participants and those unable to attend a meeting, to fill out and return the questionnaire at the end of the Alaska Public Forum newspaper. These responses are generally without benefit of group discussion and therefore are often different from group recommendations.

These written suggestions have been tabulated and discussed throughout the report. The answers cut across demographic categories and indicate that Public Forum participants although not a true proportional cross-section of each region (see regional profile sections) respond similarly to the various recommendations. Where there are differences in groups, these have been noted in the text.

This report will look at both sets of responses---individual and group. It will also quote directly from the people. It is hoped that through these different methods of hearing the public, you will come away understanding both the common thread of people's hopes for the future of Alaska and at the same time their extraordinary individuality.

Background

Where,
when
who

SOUTHEAST PROFILE*

The major concerns of Southeast participants in all the meetings were renewable resources, community services, land selections and transportation. A look at the Region may help explain some of the comments that appear in response to the seven questions.

Southeast has throughout its history under American rule been the center of government, and trading. It is an area rich in wood, fish and minerals, all of which have kept the area bustling and kept it the focus of most outsiders attention.

The Southeast population in the 1970 census count was 39,472 which is approximately 13% of the total state population. More than three fourths of the people live in the five towns of Juneau, Ketchikan, Sitka, Petersburg and Wrangell. Most of the total Southeast population (71%) is white which is a slightly lower proportion of white to non-white (79%) than in the rest of the state. The non-white population is made up almost entirely of Tlingit, Haidas and Tsimshian Indians with a small number of blacks and Chinese.

The economy of Southeast has depended largely on its natural resource wealth - - fish, timber and minerals which are far from depleted and may continue to provide a stable economic base in the future.

Government is the largest employer in the region. However, with the plans to mvoe the state capital and most of the federal and state services with it, a disruptive concern has been created. In Juneau alone there are 2,850 state employees, 1,100 federal employees, 1,000 borough employees or more than 50% of the Juneau work force.

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*Source: Alaska Regional Profiles, Southeast Region Vol. IV, Lidia Selkregg, University of Alaska, Arctic Environmental Information and Data Center.

Today, timber is the main economic support in Southeast and the third largest in the State. Fishing has always been the economic base of the region and today ranks closely behind the timber industry. Tourism and recreation is third among southeast industries and growing rapidly.

Close to 95% of the land in the Southeast region is under federal control, 73% of that is in the Tongass National Forest. Although portions of this may be selected by the state for its use or for it to turn over to borough governments throughout the region, not much of this has been done to date. Therefore, little land exists that may be used for homes and recreational purposes in this part of the state, which is a problem for many Southeasterners.

For the most part, people have located along waterways in small isolated communities connected to the outside world through the ferry system and charter plane service. (There is some commercial air service as well through the five larger towns.) There are few roads in Southeast.

THE ALASKA PUBLIC FORUM PARTICIPANTS - Southeast

	1970 Census Information on Population Distribution Southeast 1.	Alaska Public Forum Participants Population Distribution Southeast 2
Age:		
under 25	23%	14%
25-34	24%	26%
25-44	19%	20%
45-54	16%	20%
55 and over	18%	20%
Sex:		
Female	47%	33%
Male	53%	67%
Occupation: (Civilian Population) 3.		
Professional-Technical	27%	29%
White Collar	20%	24%
Blue Collar	12%	26%
Not in the Civilian Labor Force	41%	21%
Length of Residency in Alaska:		
3 years or less	--	18%
4-10 years	--	23%
over 10 years	--	59%

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1. Source: U. S. Department of Commerce, Bureau of the Census, 1970, General Population of Characteristics, Alaska.
2. Alaska Public Forum Newspaper demographic information from 475 Southeast questionnaires.
3. Occupational Categories.

Professional-Technical includes:

Accountants, Engineers, Lawyers, Librarians, Doctors, Nurses, Clergymen, Social and Recreational workers, Teachers, Pilots, Technicians, Counselors, Writers, Researchers, etc.

2. (continued)

White Collar includes:

School Administrators, Postmasters, Hotel managers, Sales personnel, Insurance agents, Real estate agents, Bank tellers, Cashiers, Bookeepers, File clerks, Insurance adjustors, Mail Carriers, Payroll clerks, Receptionists, Secretaries, Teacher aides, Telephone operators, etc.

Blue Collar includes:

Carpenters, dental technicians, electricians, road machine operators, machinists, mechanics, repairmen, plasterers, plumbers, roofers, tailors, dressmakers, gas station attendants, graders, welders, bus drivers, taxicab drivers, construction workers, fishermen, lumbermen, teamsters, warehousemen, farmers, bartenders, hotel maids, cooks, dishwashers, dental assistants, health aides, airline stewardesses, barbers, childcare workers, firemen, policemen, etc.

Not in the Civilian Labor Force includes:
Military, housewives, unemployed, retired, subsistence hunters, or persons for any other reason not in the labor force.

NORTH PROFILE*

First, it should be noted that findings in the North tended to be regional in perspective. The geographic boundaries of the area the Public Forum called the North, included three distinct Native regions. Despite the fact that the entire area is made up principally of Inupiat Eskimo people (with a generous sprinkling of whites), the thinking from one area to another was often very different. The most notable distinction was that of the North Slope community, where participants repeatedly responded to questions from the perspective of their regional needs, i.e., "our land is producing most of the wealth for the state so how will we be compensated, in turn?" Or, "the state should lease onshore lands for oil exploration before offshore, otherwise sea mammals - -our livelihood - - will be in jeopardy maybe forever."

Nome participants, to a large extent, were representative of the town's white community. Participants from this meeting made up 1/3 of the questionnaire sample and the statistics on them indicate that they were generally between the ages of 35-44, male and most often in the professional-technical occupation category. Although 46% of the Nome people were residents of Alaska for over 10 years, this figure is far less than the 76% in the rest of the North.

Generally, the themes coming out of the North correspond surprisingly with those in Southeast. People expressed concern over their communities, renewable resources and the land. In the North, these three areas are closely intertwined. It is often difficult to determine where concern for renewable resources as an economic factor ends and renewable resources as a subsistence need begins. So too, it is with the community structures and the land in the North.

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*Source: Alaska Regional Profiles, Northwest Region Vol. V, and Arctic Region Vol. II, Lidia Selkregg, University of Alaska, Arctic Environmental Information and Data Center.

The North region of today is the product of both its own traditional culture and the sometimes painful "opening up" experiences it has gone through. First with the arrival of the whalers, then the miners, and eventually government activities whether through management of Federal reserves like Pet 4 and the Naval Arctic Research Laboratory on the Arctic Slope or through government services throughout the region. Now the area finds itself in the midst of yet another "opening up" experience with the exploration of oil and gas.

The initial and most severe disruption was from the whalers. While the eskimos exchanged gifts of baleen, caribou meat and furs with the whalers, they received in return, rifles, ammunition, liquor, flour, black tobacco, molasses and lead - - not to mention, measles, smallpox, whooping cough and influenza. While disease caused the death rate to soar, at the same time there was a serious depletion of caribou herds either due to the use of firearms or the cyclical change in caribou population. Both of these factors saw populations decrease radically. For example, Barrow declined from 1,000 persons in 1828 to 309 people in 1863.

Today, the 1970 census figures show the North region with a population of 13,334 or slightly larger than 4% of the state's population. Alaska Natives make up 85% of the 1970 figure for the region. There is a much higher percentage of young to middle age people than old.

The economy is based on subsistence lifestyles but there is an involvement, particularly among the white population, with a cash economy. Nonetheless, low income and high unemployment characterize the region's position. Most of the employment that exists is seasonal and includes commercial fishing, herding, limited tourism and arts and crafts. Govermnent, pipeline and mining jobs throughout the North provide some alternatives to seasonal employment.

Although government is a major employer, it is perhaps even more so, in the North Slope area of the state which is now under borough status and has an active administrative office in Barrow, managing the services throughout its far flung region. The rest of the North for the most part, is a part of the unorganized borough and looks to the state legislature to meet its local government needs.

Land in the North is largely under federal jurisdiction with large sections of it tied up in the Pet 4 and Arctic Wildlife reserves. Other sections will be released to local Natives through the Land Claims Settlement Act. All the land in this region has been used primarily for subsistence and remains so today with the exception of natural resource exploration and development.

People generally have chosen to live in isolated, small communities along coastal and river sites favorable for subsistence activities. Only Nome owes its development to mining rather than subsistence pursuits. In more recent years however, people are beginning to move into the larger service areas of Nome, Kotzebue and Barrow, to gain access to better services and more employment opportunities. Poor transportation and communications have in the past and continue today, to hamper the delivery of services throughout the region.

The Alaska Public Forum Participants - North

	1970 Census information on Population Distribution 1. North	Alaska Public Forum Participants Population Distribution 2. North
Age:		
under 25	34%	17%
25-34	22%	36%
35-44	16%	29%
45-54	12%	10%
55 and over	16%	8%
Sex:		
Female	45%	42%
Male	55%	58%
Occupation: (Civilian Population) 3.		
Professional-Technical	7%	38%
White Collar	9%	24%
Blue Collar	19%	23%
Not in the Civilian Labor Force	65%	15%
Length of Residency in Alaska:		
3 years or less	--	14%
4-10 years	--	20%
over 10 years	--	66%

large imbalance

1. Source: U. S. Department of Commerce, Bureau of the Census, 1970, General Population of Characteristics, Alaska
2. Alaska Public Forum Newspaper demographic information from 134 North questionnaires
3. Occupational Categories: See Southeast Section

SOUTHCENTRAL PROFILE*

Southcentral has the largest population of any other part of the state. However, most of those people are located in Anchorage, the state's largest city, a place that is not typical of the rest of Alaska. It is more recently developed, feels the influence of the lower 48 more sharply and its population is often made up of large numbers of professional, if transient, residents. Outside of Anchorage, the population more closely resembles other parts of Alaska. A look at the region might help put some of the Public Forum responses in perspective.

Southcentral is perhaps the most newly developed region. Its history in light of its present situation is relatively recent. Waves of people migrated into the region at different periods beginning with railroad construction workers at the turn of the century. Population growth continued with the arrival of the Matanuska colonists in the mid-thirties, through the influx of military personnel during World War II, then into the present day growth from oil activities in the Kenai and Prudhoe Bay fields.

Its relatively new and rapid growth sets it apart from other areas of the state.

In the 1970 census, Southcentral region consisted of 145,301 people or close to 48% of the state's population. Today, it more accurately contains over half of the people in the state. Close to 90% of the 1970 population is white, much higher than the state average of 79%. Much of the non-white population is Alaska Native--both those who have migrated to Anchorage from around the state and the original local inhabitants, the Athapaskan Indians and Chugach Eskimo. There is a significant proportion of blacks, Filippinos and Orientals as well. In Southcentral a large percentage of the population is young to middle age.

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*Source: Alaska Regional Profiles, Southcentral Region Vol. I, Lidia Selkregg, University of Alaska, Arctic Environmental Information and Data Center.

The economic base of the region has shifted as the area has grown. At first, the economy was supported by fishing and mining, with some trapping and hunting. Most people maintained a subsistence existence. During World War II, military and federal government activities became the economic base for the region until more recently when Anchorage has become the center for operations of the state's private sector. The petroleum industry role is also a dominant economic force.

Southcentral can boost the highest level of employment and the largest share of Alaska's total personal income. Fisheries are the oldest industry of major importance in the region but its activity has become modified by economic and biological factors. The petroleum industry, which includes secondary business as well as oil company activities, has recently taken the lead as the regions biggest private industry. The Federal government both military and civilian has decreased its impact on the economy slowly since World War II and its role as employer is now shared with the state and local governments. The entire region is made up of three boroughs - - Kenai, Matanuska-Susitina and Anchorage. Government, then, is the largest employer in Southcentral followed by trade for goods and services.

Land in Southcentral has been developed in a relatively small amount. Less than 3% is privately owned and not all that is developed. Uses of the land may range from metropolitan to subsistence in close proximity.

Half the population of the state resides in and around Anchorage. To the South, Kenai peninsula is a secondary population and commercial area within the region. The city of Kenai maintains the strongest industrial base with Homer, Soldotna and Seward serving as important population centers. To the North of Anchorage, the Matanuska and Susitna Valleys are the agricultural bases for the region and offer extensive summer and winter recreational activities.

The Southcentral region is tied together by a complete highway system radiating out of Anchorage. The region is also an air center providing both a connecting link to all parts of the state and the world as well.

THE ALASKA PUBLIC FORUM PARTICIPANTS - Southcentral

	1970 Census Information on Population Distribution Southcentral	Alaska Public Forum Participants Population Distribution Southcentral
Age:		
Under 25	30%	10%
25-34	26%	29%
35-44	21%	21%
45-54	14%	22%
55 and over	9%	18%
Sex:		
Female	45%	36%
Male	55%	64%
Occupation: (Civilian Population)[3]		
Professional-Technical	10%	35%
White Collar	20%	23%
Blue Collar	21%	20%
Not in the Civilian Labor Force	49%	22%
Length of Residency in Alaska:		
3 years or less	--	18%
4-10 years	--	29%
over 10 years	--	53%

SOURCE:
1. U. S. Department of Commerce, Bureau of the Census, 1970, General Population of Characteristics, Alaska
2. Alaska Public Forum Newspaper, demographic information from 1,633 Southcentral questionnaires
3. Occupational Categories - Professional-Technical etc. (see Southeast)

LOCATION SOUTHEAST	DATE AND TIME	FACILITY	NUMBER OF PARTICIPANTS	COMMUNITIES REPRESENTED	ELECTED OFFICIALS	RESOURCE PEOPLE	GROWTH POLICY COUNCIL REPRESENTATIVES
KETCHIKAN Regional Workshop	Nov. 13 & 14, 1976	Ketchikan High School	100	18 S.E. communities 21 random selection participants	Governor Jay Hammond Rep. Terry Gardiner	Department of Health and Social Services Coastal Zone Management.	Lowell Thomas, Jr. Frank Homan Leonard Lane Harold Pomeroy
WRANGELL	Nov. 16th, 1976 evening	City Council Chambers	40	1	None	None	Harold Pomeroy
PETERSBURG	Nov. 17, 1976 evening	City Council Chambers	40	1	Rep. Ernie Haugen	None	Harold Pomeroy
JUNEAU	Nov. 18, 1976 evening	Juneau-Douglas High School	71	1	Governor Jay Hammond Rep. Jim Duncan	None	Frank Homan Harold Pomeroy
SITKA	Nov. 22, 1976	Sitka Centennial Bldg.	64	1	Rep. Pete Meland	None	Frank Homan
SKAGWAY	Nov. 23, 1976	City Council	6	1	None	None	None
HAINES	Nov. 30, 1976	City Hall	20	2 (Klukwan)	None	None	Lowell Thomas, Jr.
CRAIG	Dec. 6, 1976	Craig Elementary School	11	1	None	None	None
KLAWOCK	Dec. 7, 1976	City Council Chambers	12	1	None	None	None
THORNE BAY	Dec. 8, 1976	Elementary School	20	1	None	None	None
ANGOON	Dec. 9, 1976-evening	Community Center	51	1	None	None	Leonard Lane
METLAKATLA	Dec. 13, 1976-evening	Village Council Chambers	12	1	None	None	None
HOONAH	Dec. 14, 1976-evening	Old Child Care Bldg.	2	1	None	None	Leonard Lane

LOCATION: THE NORTH	DATE AND TIME	FACILITY	NUMBER OF PARTICIPANTS	COMMUNITIES REPRESENTED	ELECTED OFFICIALS	RESOURCE PEOPLE Division of	GROWTH POLICY COUNCIL REPRESENTATIVES
KOTZEBUE REGIONAL WORKSHOP	Dec. 4,5, 1976 all day - both days	Kotzebue School	100	North-12 west communities) 15 random selection participants	Governor Jay Hammond Senator Frank Ferguson Rep. Leo Schaeffer	1) Land 2) Oil and Gas 3) Coastal Zone Management	Lowell Thomas, Jr. Frank Homan Leonard Lane Harold Pomeroy Herb Smelcer Diana Tillion
BARROW One day workshop	Jan. 29, 1976 all day	North Slope Borough Building	34	6-North Slope Villages	Lt. Governor Lowell Thomas Jr.	1) Oil & Gas 2) Coastal Zone Management	Lowell Thomas, Jr. Herb Smelcer
NOME	Nov. 18, 1976-evening	Nome Public School	68	1	Rep. Al Nakak	None	Leonard Lane
KIVALINA	Nov. 22, 1976-afternoon	Community Center	20	1	Rep. Leo Schaeffer	None	None
DEERING	Dec. 2, 1976 -afternoon	Community Center	21	1	None	None	None
SHUNGNAK	Nov. 24, 1976-afternoon	Community Center	15	1	Rep. Leo Schaeffer	None	None
KOBUK	Nov. 24, 1976-evening	Bernhart Home	6	1	Rep. Leo Schaeffer	None	None
GAMBELL	Jan. 21, 1977	Recreation Hall	30	1	None	None	None
STEBBINS	Jan. 27, 1977	Recreation Hall	28	1	None	None	None
SAINT MICHAELS	Jan. 28, 1977	Recreation Hall	15	1	None	None	None
UNALAKLEET	Jan. 31, 1977	Elementary School	23	1	None	None	None

LOCATION SOUTHCENTRAL	DATE AND TIME	FACILITY	NUMBER OF PARTICIPANTS	COMMUNITIES REPRESENTED	ELECTED OFFICIALS	RESOURCE PEOPLE	GROWTH POLICY COUNCIL REPRESENTATIVES
ANCHORAGE REGIONAL WORKSHOP	Jan. 15 & 16, 1977 All day both days	Sat: Pioneer School Romig Jr. High Clark Jr. High Dimond High Service-Hanshew High Sun: Captain Cook Hotel	Sat. 450 Sun. 520	13 South-central communities 30 random selection participants	Governor Jay Hammond Sen. Chancey Croft Sen. W. E. Bradley Sen. Pat Rodey Sen. Ed Willis Rep. Mike Beirne Rep. Kris Lethin Rep. Lisa Rudd	1) Div. of Lands 2) Div. of Oil and Gas 3) Dept. of Health and Social Services 4) Coastal Zone Management	Lowell Thomas, Jr. Mark Boesser Tim Bradner Frank Homan David Klein Leonard Lane Harold Pomeroy
KENAI-SOLDOTNA	Jan. 24, 1977 evening	Kenai Borough Assembly Building	42	2 Kenai & Soldotna	None	Department of Health and Social Services	Mark Boesser Harold Pomeroy Diana Tillion
HOMER	Jan 31, 1977	Homer Elementary	93	1	None	Department of Health and Social Services	Mark Boesser Harold Pomeroy Diana Tillion
PALMER	Feb. 9, 1977	Community Building	22	1	None	None	Mark Boesser Harold Pomeroy Lidia Selkregg
TALKEETNA	Feb. 16, 1977	Susitna Valley High School	45		None	None	Mark Boesser

Questions

1 - 7

QUESTION 1

SOUTHEAST

"Renewable resources will sustain the state and our emphasis should be on them. Their protection, proper use and future plans for management must be uppermost in our considerations if we're to make it over the long haul."

Petersburg

How should the state use its new oil and gas money in the future?

Questionnaire Results Number of Respondents: 446		Meeting Results
14%	Save it	
6%	Loan it to communities	
4%	Loan it for industrial development	Loans to develop renewable resource industries and
32%	Loan it to develop renewable resource industries	Community development either through
4%	Loan it to individuals	1) Loans to communities or
17%	Use it for tax cuts for Alaskans	2) Community revenue sharing and community grants
14%	Use it for more State services and public facilities	
5%	Other: Not to move the capital, pay off bonds	

Clearly, the highest priority for use of the new oil and gas money among people participating in the Public Forum in Southeast was to provide loans to promote renewable resource industries. Although tax cuts for Alaskans appears to be the second choice, it is likely that this second priority position should go to some type of community assistance option, instead. The reason for this assumption is that 1) there was resounding concern by people attending the workshops and meetings for their communities but 2) people had trouble deciding the best way to go about this and were divided between the options of providing loans to communities or increasing revenue sharing and community grants.

Some people supported one option, others staunchly backed the

other but their concern for their communities was the same. With this in mind, it is interesting to combine the two options and in so doing, community needs receive 20 per cent of the count and a slight edge over the tax cut option.

The responses to the questionnaires indicated that people between the ages of 25 and 44 voted most heavily for loans to renewable resources. Those in younger age brackets up to 25 voted to save the money and those over 45 generally were most interested in tax cuts, even a rather skeptical 55 year old pulp mill employee from Sitka who said: "It seems to me that I"ll never, never see any of this money. But if the state were to cut its income tax, I might. That's what I want."

Loans to Renewable Resource Industries: The enormous response to this choice set the tone for the first workshop and most of the meetings which were to follow in the Southeast region. As a 29 year old fisherman from Petersburg said: "Renewable resources will sustain the state and our emphasis should be on them. Their protection, proper use and future plans for management must be uppermost in our considerations if we're going to make it over the long haul." The participants at the Ketchikan workshop led the way selecting renewable resources development as their highest priority for the use of the oil and gas wealth. People went on to choose this as one of the top three priorities in every community meeting throughout the region from Skagway to Metlakatla.

Loans to Communities: This choice tied with community revenue sharing and grants for second highest priority among Ketchikan workshop participants. Many people throughout the region preferred this method of community assistance because the state would be generating interest on loans at the same time that communities would be benefitting

from the money. The same people tended to oppose community revenue sharing and community grants, feeling that in essence, the money would produce no return and would disappear like the $900 million from the Prudhoe Bay lease sale.

Many participants in smaller communities such as Sitka, Petersburg, Wrangell and Skagway supported the idea of loans for communities, particularly for hydroelectric projects and small businesses.

Use it for Community Sharing and Community Grants: This option was the other second preference of Ketchikan workshop participants for use of the state's oil and gas monies. People who selected this option usually did so because they felt that loans to communities were inappropriate for areas where there was no tax base to repay loans.

People also felt local communities could best handle their own needs. A 38 year resident of Wrangell and a self-employed business woman commented that "cities and towns should be given the responsibility of knowing the needs of their local community - so strings attached...if local needs are more in one area than another, let them decide."

This option received a large amount of support in community meetings throughout Southeast. Some of the people recommending this answer also pointed out that grants were preferable to revenue sharing because the latter is distributed on a population basis, a hardship for sparsely populated communities.

This option was high among people's priorities in Haines, Angoon, Klawock, Thorne Bay, Metlakatla and Craig.

Tax Cuts for Alaskans: This choice ranked third by participants at the Ketchikan workshop but they were not sure whether they loved the idea or hated it. Some felt that it provided a false sense of

prosperity leaving the government too dependent on oil and gas revenues which would eventually run out. Others felt that a tax cut was the only way they would ever benefit from or see the effects of the new wealth. Yet others cautioned that this might cause people from the lower 48 to pour into the State to enjoy the tax break.

And so it was with the communities that chose tax cuts as one of their considerations. Skagway was all for it and Metlakatla was vehemently opposed.

Save it: This option gained support from Ketchikan workshop participants who suggested that the state save its money for a rainy day. As one Juneauite added, "In Southeast I"m afraid we'd have to do a lot of that." Petersburg supported this idea and made it their first priority. Juneau participants also agreed with this thinking but their suggestion was to increase the size of the Permanent Fund.

Loans for Industrial Development: This answer did not receive much support among Public Forum participants. "The State should not encourage or subsidize industrial development," said a 30 year old construction worker from Kupreanof who has lived in Alaska for 5 years. "It should allow industry to grow as needed and feasible within the industries' own ability to do so."

However, industrial development was rated high in several communities such as Haines and Craig where people are experiencing unemployment problems. It should be noted that the use of the term industrial development generally included small scale industry to support efforts for renewable resources, i.e. lumber mills, canneries, etc.

Other: Two notable ideas emerged under the classification of "other" suggestions. The first was no surprise. Strings of protests were leveled at the idea of financing the capital move with oil and gas

revenues. "We should use our money to benefit people through education, roads, health programs, alcoholism programs, better housing," said a 36 year old teacher and a 7 year resident of Alaska, and not spend millions or billions on unnecessary wasteful things like moving the capital."

Only the people in Angoon supported the move, "providing the state move the capital here," said a young Angoonian. "Otherwise forget it." Almost every community went on record decrying first the move, and second financing it with the oil and gas wealth.

The second suggestion under "other" came up in both Petersburg and Craig when the people in those communities recommended that the State use the oil and gas revenues to pay off its bonded indebtedness.

QUESTION 1
THE NORTH

"If the only way to receive grants, revenue sharing funds and other sources of income requires...complying with mountains of regulations and restrictions and considerable time and expertise, then how can a small village hope to obtain its fair share when everyone is busy just trying to stay alive."

Kaktovik

How should the State use its new oil and gas money in the future?

Questionnaire Results Number of Respondents: 133		Meeting Results
15%	Save it	
7%	Loan it to communities	
7%	Loan it for industrial development	Community revenue sharing and grants often including more State services
15%	Loan it for renewable resource industries	
2%	Loan it to individuals	Loans for renewable resources
14%	Use it for tax cuts	
27%	Use it for revenue sharing and community grants	Save it and tax cuts
8%	Use it for more State services and public facilities	
6%	Other: Services equalized throughout state; oil producing regions receive larger share of revenues.	

The general response to Question 1 throughout the North was to use the oil and gas money for community services which is not surprising for an area as remote and with as few services as this Northern part of the state. Like Southeast, the isolation of many villages throughout the North has produced a need for people to be self-sufficient. Yet the introduction of western practices disrupted the independent lifestyle of people in this region and ultimately created a dependency on the state and federal government for new but vital services such as housing, fuel, health care and education.

Community Revenue Sharing and Community Grants: "Make sure the revenue sharing formula includes pipeling population," a five year res-

ident Alaskan from Barrow wrote on the side of the questionnaire. This category of use for the new oil and gas money received the highest rating in both the Northern regional meetings and the questionnaire tabulations.

People expressed concern over local control of community programs. "The state should share its role of providing services with local communities," said a 33 year old Kotzebue resident. "After all, the state government is not a profit-making corporation."

Coupled with the support of community grants and revenue sharing for local communities was the criticism of revenue sharing procedures. At the Kotzebue regional meeting, people vigoriously protested using population figures to determine revenue sharing allocations. "This leaves no room for community needs," commented a young school teacher.

However, a 37 year old postmaster and mayor of Kaktovik had another complaint. "If the only way to receive grants, revenue sharing funds and other sources of income required not only for basic administration but for any type of improvement, is by complying with mountains of regulations and restrictions which require considerable time and expertise, then how can a small village hope to obtain its fair share when everyone is busy just trying to stay alive."

Participants in Barrow supported the option of community revenue sharing and grants as the best use of the new oil and gas wealth, but echoed the reservations of others over methods of allocating the money. Reacting to this, people suggested that a greater percentage of oil revenues go to communities where oil has been discovered and which, as a consequence, have suffered some impact. This response was often filled in as an "other" on questionnaire responses from Barrow. Conversely, people in Nome often recommended on their forms that state

services should be provided equally throughout Alaska.

Nome, as well as the smaller communities of Kivalina, Shungnak, Gambell, Stebbins, St. Michaels, Kobuk and Deering joined most of the region by selecting the community revenue sharing and grants option as the most important use of oil revenues.

State Services and Public Facilities: This was often ranked as a second priority for Question one. In rural Alaska, state services are viewed as a compliment to revenue sharing and grants. If the two options were combined in the above chart, it would add even more weight to the importance of community development in rural Alaska. Among the supporters of this option were Unalakleet residents who made it their first priority and St. Michaels, Gambell, Kotzebue, Nome and Barrow who made it either their second or third choice.

Loans to Renewable Resources: This was the highest priority for use of oil and gas wealth at the Kotzebue workshop as people spoke up for the preservation of fish and game which participants viewed both as their renewable resource industry and their livelihood. A carpenter in Point Lay who has lived in Alaska for 22 years spoke for many when he said, "I feel more should be done about using the natural resources in the state, such as farming and fishing and it should be done now."

The importance of renewable resources, both as they preserve subsistence activities and contribute to the growing commercial fishing and reindeer herding industries were widely supported in almost every area of the north, and this was a theme that was to recur throughout each meeting.

A young Barrow native reaching far back into the history of North Slope people questioned the disappearance of the reindeer industry in that region. "I believe that 'loans to renewable resources' could provide the incentive needed to develop strong support for a

reindeer industry in the Arctic Slope for subsistence as well as revenue," he put forth to participants.

The Kotzebue region, through the NANA Native Corporation, has recently resumed the reindeer herding industry in that area. Their efforts drew support for herding in the Northwest from Public Forum participants.

Save it and Tax Cuts: Save it as an option tied with renewable resources statistically although it was third behind the community services and renewable resources in meeting discussion groups. Participants often chose this option out of concern that the state might repeat its experience with the $900 million from the Prudhoe Bay lease sales.

Participants in Kotzebue generally suggested that the money be saved or wisely invested. Several workshop groups recommended that the Permanent Fund should be increased to 50% of oil and gas revenues.

Tax cuts seemed to pick up support in several smaller villages such as Unalakleet and Stebbins and it ranked high in the tabulated questionnaire responses.

Community Loans: One note on this option. Although some Northern participants favored community loans, it generally ranked lower than in other regions because people in this area have no tax base from which to repay loans.

QUESTION 1

SOUTHCENTRAL

"I got to thinking, what good is $50 in a tax cut for me when all of the Mat Valley could get a hydroelectric plant, or Homer could get some more fish."

Anchorage

A. How should the Permanent Fund money be invested?

Questionnaire Results Number of Respondents: 1,633		Meeting Results: Anchorage
24%	Save it	Loan it to develop renewable resource industries Save it
13%	Loan it to communities	Loan it to communities
13%	Loan it for industrial development	
39%	Loan it to develop renewable resource industries	Outside Anchorage:
9%	Loan it to individuals	Loan it to develop renewable resource industries
6%	Other: Combination of the above	Loan it to communities Save it Tax cuts

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B. How should the State use its new oil and gas money? (All revenues except those invested in the Permanent Fund.)

Questionnaire Results Number of Respondents: 1,633		Meeting Results: Anchorage
31%	Use it for tax cuts for Alaskans	Loan it to develop renewable resource industries
5%	Use it for cash payments for Alaskans	Save it by increasing the Permanent Fund
9%	Use it for more community revenue sharing and community grants	Loan it to communities Use it for more State services
4%	Use it for more State services	Outside Anchorage:
13%	Save it by increasing the Permanent Fund	Loan it to develop renewable resource industries
4%	Loan it to communities	Loan it to communities
3%	Loan it for industrial development	Save it by increasing the Permanent Fund
19%	Loan it to develop renewable resource industries	
5%	Loan it to individuals	
7%	Other:	

Permanent Fund Investment

Loans to Renewable Resource Industries: The overall theme coming from

the Southcentral Public Forum was the people's desire to see more attention placed in the area of renewable resource development. To the Homer residents, that meant using the Permanent Fund monies to rehabilitate the fishing industry and develop the area's farming potential. To the Mat-Su Valley participants, renewable resource priorities included farming. "Do something about our farm land being whittled away by real estate scalpers and make the land safe to use for long-range farming goals," said one farmer. Valley participants also pointed to game management as a renewable resource need particularly so people could resume some subsistence hunting.

Southcentral respondents who came from the greater Anchorage area, indicated that fishing was their renewable resource priority. Several wanted to see the fishing built up for sport and recreational activities. But, others were sensitive to the needs of commercial fishermen. Many Anchorage participants cited timber, farming and the management of caribou and reindeer to meet the needs of others throughout the state as their reason for supporting Permanent Fund investment in renewable resources.

There appeared to be little rhyme or reason among those who preferred certain investment or spending alternatives. But, the people who had lived in the state under 10 years, more heavily favored the investment of the Permanent Fund in renewable resource areas. Those long-time residents (over 10 years) and those over 55 years old voiced their preference for saving the Permanent Fund monies as a first option and they opted for renewable resources as a second alternative for investment.

There was little difference in the priorities selected by men and women; white collar or blue collar workers; or different age groups.

However, while Permanent Fund investment for industrial development ranked lowest among the five selections presented, women ranked it lower than men did. Professional and technical people supported investment for renewable resources more than those in other blue collar, white collar and non-working occupational categories.

Other: It might be interesting to note that those people who marked off "other" generally suggested that the state offer a portfolio of all the options listed above. One Anchorage accountant and investment counselor said the state should not put all its collective eggs in one investment nest "or else we might end up with one big goose egg in our monies received column."

New Oil and Gas Money Spending

Tax Cuts: Of all the questions placed before the Southcentral people by the Public Forum, the spending of the oil and gas revenues provided the largest inconsistency between the voting of people in meetings and those voting on mail-in questionnaires. While people attending the meetings in Anchorage and in the surrounding communities tended to prefer using the money for renewable resources, loans to communities and saving more of the Permanent Fund earnings, the people who sat at home to fill out their questionnaire strongly supported using that money for a tax cut.

At least 62 per cent of the respondents who mailed in their newspaper questionnaires, listed a tax cut among their highest priorities, while only 40 per cent of the people who attended the meetings ranked tax cuts among their top priorities.

A 73 year old Anchorage woman who attended the regional workshop said she had been tempted to rank the tax cut as her favorite. She went on to write on the side, back and top of her newspaper,"...then I talked with some people in my discussion group and I got to thinking,

what good is $50 in a tax cut for me when all of the Mat Valley could get a hydroelectric plant, or Homer could get some more fish. You know, it just didn't make much sense."

Those people who indicated a preference for tax cuts often mentioned that this was how they could touch the oil and gas wealth themselves. The people who came to the meetings; however, were skeptical of tax cuts and direct cash payments to individuals. "It's just another rip-off program where we'll spend bunches of state dollars trying to administer these programs," said a former Kenai Peninsula legislator. "Every Tom, Dick and Jane from outside will be up here to get in on the deal," said an outspoken Homer fisherman.

In defending the tax cut alternative, a Palmer doctor wrote he might be more inclined to support the railbelt's heavy financing of education in the Bush, "if there were just one thing where everyone in the state got an equal crack/" One young homesteader along the railbelt simply placed 16 exclamation points beside her choice of a tax cut.

Loans to Renewable Resource Industries: When you look at those options for using the new wealth, the same priorities as those for investment of the Permanent Fund (namely renewable resources followed by saving more money) ranked after the tax cut alternatives.

In all the local meetings as well as the two-day workshop, Question one drew the most comments and took the most time to discuss, whether the question was placed first on the meeting agenda or last. More than any other question, the participants seemed to feel that here was a control they could exercise. "I know we're talking about more money than I can even conceive of, but if I get to put my two cents worth in regarding the investment of the state's two billion

dollars, then no matter what gets done with it, I'll have the feeling it's more mine," said a retired school teacher who wrote two pages worth of comments about the Permanent Fund question.

QUESTION 2
SOUTHEAST

"I had an idea that a tax should be put on booze so that people that have to be rehabilitated can help pay their own way. After all, it is a self-inflicted disease, just like if you chopped your toes off with an axe..."

Ketchikan

What human needs do you think are most important?

Questionnaire Results Number of Respondents: 355		Meeting Results
13%	Alcoholism	Education
6%	Children	Alcoholism
37%	Education	Employment
6%	Elderly	Health
21%	Employment	Children
9%	Health	
5%	Housing	
2%	Income Maintenance	
1%	Rehabilitation	

The top five priorities in the areas of human needs remain similar throughout Southeast Alaska with education consistently the number one concern. Only the second through fifth choices shift around due primarily to the various responses and reactions to the controversial issue of alcoholism.

After education, employment statistically receives the most support. But it should be noted that at meetings, alcoholism usually usurped the second priority position. Like several other Public Forum questions - - i.e. land management and oil and gas leasing policies - - there are some concerns that become gut level issues and provoke a strong response at meetings. Alcoholism is such an issue. However when a person is left to record a vote on the questionnaire, employment moves ahead of alcoholism. And by the time all nine issues are averaged, alcoholism drops to fifth place.

Nonetheless, if we look at both the questionnaire responses and

meeting results, it appears safe to say that education, employment and alcoholism were among the top three concerns among the people of Southeast who participated in the Public Forum. The rest of the issues fall in behind these with health first, care of children second, followed by programs for the lederly, housing, income maintenance and rehabilitation in that order.

It is also interesting that people had some difficulty initially sorting out priorities. Some felt that education was the key to arresting the problems of alcoholism, unemployment, health care etc. Others felt strongly that employment provided the solution to the problems of almost all the other categories. Still others said if you're not healthy you can't be educated or work. And so it went, implying a basic interdependency - one need upon another.

It is important to point out that people discussing this question felt a need for more information. Although the question was designed to be answered within a personal frame of reference, people rejected this idea and wanted more background. Significantly, this means people generally are uninformed about state services in the area of human needs.

Education: At the Ketchikan workshop, as in the rest of Southeast, Public Forum participants selected education to head the list of human needs. At the Juneau meeting a young biologist articulated a reason why this might be the case when he said: "education really provides an umbrella solution to many of the other human needs. If we start there we can cover a number of other needs at the same time." In Skagway, the theme switched as people discussed the need for a local university, adult and vocational education classes. Only in Wrangell did people take exception to this issue saying that because education was required by state law it should not be included on this list of human needs.

Alcoholism: This issue had a slight edge over care of children as people's

second priority at the Ketchikan meeting. It was suggested that a tax be placed on alcohol to help cover the cost of rehabilitating the alcoholic. This recommendation was to be repeated over and over again at Public Forum meetings throughout Southeast and other regions around the state. As a middle aged lumberman said: "I had an idea that a tax should be put on booze so that the people that have to be rehabilitated can help pay their own way. After all, it is a self-inflicted disease, you know, just like if you chopped your toes off with an axe, so I'm boostin' for a tax on booze to help the alcoholic."

The people of Skagway also recommended a tax on alcoholic beverages. In Craig Public Forum participants specifically, expressed the importance of rehabilitation programs, and in Wrangell people criticized efforts that place too little importance on reintegrating the recovered alcoholic into the mainstream of society. People in Petersburg, Haines, Angoon, Sitka and Juneau all placed alcoholism among their top three priorities.

Employment: Ketchikan workshop participants stressed the need to employ people locally in Alaska, and to design vocational training programs to meet existing job opportunities in-state. Sitka participants echoed this need for realistic employment training, while in Craig, people pointed out that in their community unemployment hardships are aggrevated by contractors who bring in employees from other areas to work on projects that should be employing the local people of Craig.

Both Haines and Metlakatla placed employment high on their priority list based on their particular needs. In Haines, the two lumber mills, formerly the town's major employers, had recently closed leaving many people in the community unemployed. In Metlakatla, residents have always depended on seasonal employment and at the Public Forum meeting they expressed an interest in developing some kind of year round industry to provide more jobs.

Angoon people also ranked employment high on the list of human need priorities, adding that employment could eliminate a lot of alcoholism problems. As one young woman said: "people usually drink when they have nothing else to do and job opportunities might turn this around."

Health: Ketchikan workshop participants centered their health care discussions around poor standards and inadequate delivery service in remote communities.

These criticisms were repeated in the general sense in Juneau, Angoon and Craig meetings, but Thorne Bay and Metlakatla participants cited specific medical care deficiencies in their communities, expressing the need for a health nurse and some kind of clinic.

Care of Children: was the other human need area rated second by the people attending the Ketchikan workshop. However, it did not receive as high a ranking in other Southeast meetings. Most of the concern was for more day care facilities. As a 32 yesr old woman from Ketchikan commented: "18,000 children under school age in the most crucial years of their lives have working parents in Alaska. Day care should be subsidized as are the schools."

Another Ketchikan participant, a 57 year old, eight year resident voiced his concern for better preschools. "Having reared three children... we believe programs are needed to teach and stimulate those very young while they are in the age group where they are developing at least 50% of their potential I.Q. . . Our children are our main reason for surviving. We should spare nothing to expand their potential, but new thinking is required."

Juneau Public Forum participants also encouraged that more emphasis be placed on preschool activities while Sitka, Haines and Klawock expressed a concern for day care facilities, the latter stressing that there was a real need in Klawock, particularly in the summer when the cannery is open.

Beyond these areas, the comments begin to become more fragmented. There were some expressions of concern regarding programs for the elderly which if not commonly repeated are worth noting. On the tabulated questionnaire responses, it was the long-time resident Alaskans that indicated a higher priority for programs for the elderly and care of children.

Programs for the Elderly: Petersburg participants expressed a concern that housing be made available for senior citizens in the communities in which they live so that they will not have to be moved to strange surroundings to have a roof over their head. "Smaller rest homes for the aged is very important," said a 56 year old Petersburg woman. "Old people feel, when they leave home and friends, they leave to die."

In Wrangell, participants discussed the independent spirit of Alaska's pioneers and recommended that this be supported by providing employment opportunities for elderly people.

QUESTION 2
THE NORTH

"I go with education...I've always said you cannot force human beings but you can lead them---with understanding."

Barrow

What human needs do you think are most important?

Questionnaire Results Number of Respondents: 104		Meeting Results
15%	Alcoholism	Education
5%	Care of Children	Health-Alcoholism
36%	Education	Employment
4%	Programs for the Elderly	
10%	Employment	
15%	Health	
10%	Housing	
2%	Income Maintenance	
3%	Rehabilitation	

The overall priorities for question two at meetings in the North were education, health and employment. Alcoholism again proved to be an erratic issue always ranking high but in some instances, much higher than others.

On the questionnaire tabulations, the issue of alcoholism appears to have gathered its greatest support among younger and blue collar participants. On the other hand, middle-aged people tended to list employment higher among their concerns.

Education: Throughout the North, education had no competition capturing the number 1 priority position among human needs. An elderly native leader in Barrow explained quietly why he thought education was so important. "I go with education," he said when asked his priorities. "I've always said, you cannot force human beings but you can lead them--with understanding."

In Kotzebue, people voiced expressions of satisfaction with the new independent school districts in the Northwest but accompanied the praise with concern that the funding was not adequate to maintain a high quality education.

In the North as in other regions, education was viewed as the link to many other human needs. A young native leader in Kotzebue broadened the education process explaining why it was an important issue to him. "Education is a very high priority but the part that has not been dealt with is that education can apply to all those programs that you've listed as problems...we're dealing with these issues after the fact. Alcoholism, after the fact, health care after the fact, but with education we can learn about these problems and deal with them before they get out of hand and then, education really becomes a number one priority."

In Barrow, on the other hand, several participants had trouble separating the importance of education and employment. "I can't do it," said one middle-aged engineer. "You can't get employed without having a good education...and a lot of times, if you don't have a job other things don't follow."

In most other communities, from Nome to Deering, participants chose education as their top human need priority. However, in several cases health was listed as the number one concern.

Health: People in Barrow along with those in Kobuk and Stebbins put health care at the top of their list of human needs. In most of the meetings, the health concerns centered around inadequate village health care, like the man from Pt. Hope who told workshop participants in Barrow, "I'm in more of an isolated area so I take health for one(priority) because we're about 170 miles from the Native hospital and at home we got a health aide who only can pass out aspirins and bandages."

People in Kobuk echoed the need for some health facilities for their

village which is isolated at the end of the plane route to the far east of Kotzebue.

Alcoholism: was a well-discussed topic in Nome and Kotzebue but did not receive the same attention in the smaller villages with the exceptions of Gambell and Stebbins where people made it their second priority and Barrow, where it was treated as a part of health care. In Kotzebue participants felt so strongly about the issue, they made it a part of their local concerns under question 7.

Probably the single most important recommendation coming out of the Kotzebue workshop was one suggesting that a tax be placed on alcohol to rehabilitate the alcoholic. A young, native fisherman from Kotzebue explained his feeling on the tax. "If we had a two or three cent tax on a drink...the state could conceivably generate revenues of $4 million in the period of a year. So if we're going to drink, we might as well not only have a tax, but know that it is contributing to alcohol problems. I only wish that we could institute it right away," he added.

There were strong pleas for more staff from people involved in alcohol rehabilitation programs in both Kotzebue and Nome. As a middle aged woman in Kotzebue said: "Everything that is under question two is affected by alcohol. Children don't get to school to get a proper education; we have families that are broken up; we have illness and it is a community problem. One person can't solve it...When you have a total of 167 clients and you've got one counselor...its just not realistic to think that one person can handle it."

A woman from Nome echoed this feeling describing the need in the Norton Sound area: "The problems that I've seen are all related to alcoholism. And not only alcoholism but drug abuse in not only Nome and Kotzebue but the outlying villages also. Just two weeks ago there was a young boy - 13 years old - who was found frozen to death from

drinking. First of all - who's selling alcohol to a 13 year old kid and why aren't the police doing something about it?..In Nome" she added, "there are only four people to deal with all these problems."

Employment: Although this option rated third behind education and housing, the subject prompted very little discussion beyond the statement of need for job opportunities and the general concern that without employment, many people cannot meet their other needs.

Housing: This subject on the other hand, was the topic of a great deal of discussion as both federal and state housing efforts came under fire at almost every meeting throughout the North. In Kotzebue, participants picked this as the second most important human need priority and went on to cite case after case of slip-shod building and unfinished projects.

A middle age construction worker summed up his experience: "I hired out to Unalakleet to finish 19 homes there. I looked at the plans first in Anchorage at the ASHA office and I told them that they weren't up to the national standard building codes....I'd already been to Selawik and that's the disgrace of disgraces. Twenty six houses up there and there's not one of them that anybody would ever call a house."

The problem becomes even more severe for elderly people who can't possibly maintain the ASHA houses, indicated a young woman from Nome. Further, she commented: "There's a real need for facilities for people to have some place to go when they are unable to take care of themselves any more. They are often sent to Pioneer Homes. There they are away from their own culture and their friends. They are away from the foods they are used to. They are away from the dialect and languages they are used to. It is a terrible problem."

Other: Although there was concern in turn with each of the issues on the needs list, it is probably more significant to note several new areas of discussion.

First, people in several of the communities brought up the problems in criminal justice system and correctional facilities in the state. A woman in Kotzebue cited the lack of in-state facilities for offenders. "I have a son in jail and I'm very much aware of the needs that are there. How can we help rehabilitate offenders if we take them out of their element, out of their whole lifestyle, often even out of state. They become regressed and there's no way to help them."

In Barrow, a legal aide explained the problem from his perspective. He indicated that "young delinquents are often put in jail because there is no place for them to go. People are forced to spend days in confinement waiting for a hearing and then they have to go to Fairbanks; the child advocacy program is suffering financial setbacks and the villages are in need of help but there is no one to serve them."

Another theme, was the need for efficient management of all the human need programs and more effective outreach into isolated communities. In Nome, participants were so frustrated with the poor service delivery, they repeatedly urged that local programs be managed at the local level rather than in Juneau.

"Quite often there s a lack of outreach for certain social or public assistance programs" a Barrow man observed. "If people in charge of the various programs - - education, alcoholism, housing throughout the state are made aware of rural Alaska's needs, perhaps we would receive better services - - or receive the services better. Let me put it this way - - the problem is outreach."

A young woman in the same community working in the alcoholism program quietly reinforced this idea. On seven different occasions she was notified that employees from Juneau were coming to discuss her program. "Seven times I went to the airport to meet them. They never came and never called to tell me. The needs in rural Alaska just aren't that important to many of the people who run these programs."

QUESTION 2
SOUTHCENTRAL

"I don't think that there's a person here who wouldn't agree that the kids are our primary renewable resource and I'd always opt to put the dollars there."

What areas of human need do you feel require the most attention?

Questionnaire Results
Number of Respondents: 1,618

12%	Alcoholism
6%	Care of Children
26%	Education
9%	Programs for Elderly
27%	Employment
6%	Health Care
5%	Housing
8%	Other

Meeting Results:
Anchorage

Education
Health Care
Alcoholism
Employment
Care of Elderly
Care of Children
Housing
Other

Outside Anchorage:

Employment
Education
Health Care
Alcoholism
Care of Elderly
Care of Children
Housing
Other

Education and Employment: Employment and Education fared far better than the other human need priorities with people from throughout the area. In almost every case, young or old, men or women and one occupational group or another made little difference. These two were the top priorities.

"It's not that education needs a lot of cleaning up," volunteered a participant in the Homer meeting, "but it's from education that we can attack all of those other human needs that you outlined." The woman, a bank assistant, said "I don't think that there's a person here who wouldn't agree that the kids are our primary renewable resource

and I'd always opt to put the dollars there."

In every age group, education was the first or second priority, but the younger a participant was, the more inclined he or she was to make it a heavier priority. Those over 45 generally made employment their top priority and education followed as the second choice. Also, the professional-technical workers favored education as their top priority while the blue collar, white collar and non-workers placed employment first and education second among their choices.

The two top issues jelled for one man, a blue collar worker from Soldotna, who said, "The two of these things should be one and the same; if you just put more emphasis on vocational education, then you would have more employment potential". Several people from Kenai voiced their concern for the lack of vocational facilities to break the substantial unemployment rate during off-work season when fishing and construction are down.

Education was the number one priority for both the Anchorage and Kenai Peninsula participants (in fact, the priorities in Anchorage and on the Peninsula were exactly the same from the first priority to the last). However, the Matanuska Valley residents stressed employment as their top concern while further north in the Susitna Valley, Talkeetna residents put employment at the bottom of the list behind education, alcoholism and crime prevention.

Alcoholism: Although people in each of the meetings heard a great deal about alcoholism as a human need, it ranked third among people's top concerns. "Sure, there isn't a person here who doesn't feel a bit ashamed about the state's alcoholism problem, but we'll probably see half of you in the bar after this, too", said one Kenai service station attendant.

"The problem is not that we're oblivious to the situation, but pouring dollars into more rehabilitation programs doesn't strike me as

the answer when the present programs aren't making much progress", he continued.

A tax on alcohol wasraised independently in almost all of the South-central meetings as a good way to meet the increasing expenses of alcoholism programs. People in Homer wanted tighter controls on those who drink and drive and people in Kenai wanted to put alcohol tax money into recreation and church programs to offer an alternative to drinking.

Interestingly enough, people here in the state for a shorter period of time (under 10 years) and those under 45 were more apt to rank alcoholism as a higher priority compared to older and more seasoned residents.

Health: Health care appeared to be a major concern among people responding to the mail-in questionnaires. Only at the Homer meeting was it a strong favorite of the group. Yet, in counting up the questionnaire responses, health ranked third, younger people giving it the highest priority. The older the participants were, the less important health care seemed to be.

Programs for the Elderly: Programs for the lederly was a high priority to the older age participants. It ranked fourth overall but did not fare quite so well at the local meetings where it was seldom mentioned as a priority, sparking one 67 year old woman to comment at the Old Pioneer School House meeting in Anchorage:

"You young whipper snappers are all going to be old someday, you know!"

At which point, a 69 year old gentleman from Tyonek got up from across teh room and retorted, "Yes, maybe that's so, but let's hope that when I get there, alcoholism and employment aren't the problems they are now!"

Other: Of those people who took time to write out an "other", the vast majority simply put: an efficient management of all the above.

QUESTION 3
SOUTHEAST

"After all, a building is not an education."

Ketchikan

How should public school construction be financed in both organized and unorganized boroughs?

Questionnaire Results
Number of Respondents: 464

26% 100% State Funding
9% 100% State funding from a statewide sales tax.
17% Local property taxes in all areas and supplemental funding where needed.
39% Continue the present system which provides for land taxes plus supplemental State funding in organized areas, and 100% State funding in unorganized areas.
9% Other: local participation

Meeting Results

Continue the present system which provides for land taxes plus supplemental State funding in organized areas, and 100% State funding in unorganized areas.

Question three provided interesting discussions in the meetings because generally no one seemed to care for the options offered. Although participants ultimately chose to continue the present system of financing school construction moving toward local participation whenever possible, many new ideas were brought up before making this selection. It is not clear if these ideas emerged because people didn't want to select one of the existing answers or because they did not like the issue as it was stated.

First, as a frame of reference, it is important to note that people in Southeast towns, very early created municipalities to handle community affairs at the local level. This included their schools -- both the construction and operation of them. Only several small

villages such as Angoon, Thorne Bay and Metlakatla still look to the state for all their operational and construction needs.

What this means in Southeast for question three is that with the exception of those towns just mentioned, most of the communities are paying 50% of the construction costs of thier schools through local property taxes in the same way that major boroughs such as Juneau, Anchorage and Fairbanks pay for theirs.

In this light then, it is interesting to note that throughout Southeast, the two options most often chosen were first, to continue the present system and second, fund construction from the general fund.

In Ketchikan, out of six workshop groups, three of them chose to continue the present system of financing school construction; two groups chose 100% funding from the General Fund and one group suggested that there be local participation on a sliding scale. The group spokesperson explained it this way" "for those who could afford it, construction would be 50% state funded and 50% from the local community. This rate would change based on the ability of a community to pay and could reach funding levels of 90% from the state and 10% from the local community, if needed."

This same type of solution was recommended by participants at the Juneau meeting but there the figures ranged from 0 to 20% from the local community depending on its financial capabilities and 80 to 100% from the state. All other options were rejected in favor of the sliding scale method. "Small communities should pay for their schools and improvements on a percentage basis," a 25-year-old secretary from Juneau wrote on her questionnaire.

In Ketchikan, despite the range of options, almost every group felt that there should be some sort of local involvement but no one provided any solutions. "Perhaps in the future," said a middle-age realtor, "rural areas will be in a better financial position to participate than they are now."

Ketchikan participants also spoke out clearly against the state-wide sales tax. This was echoed in Wrangell. However, both Petersburg and Haines suggested it as a possible second option.

Other interesting ideas came out of the community meetings in Southeast. For example, Wrangell people suggested that the state should set standards for a basic school building and pay for its construction 100%. Any additional facilities or new rooms would be paid by the community.

In Petersburg and Sitka, participants had a difficult time reaching a consensus although Sitka people did feel that the state should provide education for those communities who cannot pay for it themselves.

Conversely, Skagway felt that the unorganized borough should start assuming some of its own costs. If this couldn't be done, the boarding home method of sending students to urban areas for high school should be resumed.

In Haines, participants suggested that resource revenues could cover school construction costs, a thought brought up later in other regions. On the other hand, "School funding should be on a fair tax base," offered a Haines welder and five-year resident of Alaska. "Only 100% from the General Fund will do this. Then everybody pays equally."

From a Juneau resident, and 26-year-old air traffic controller comes the suggestion to use the capital move monies. "Are the benefits of a capital move worth the costs? The finances poured into such a project....the billions of dollars could build our 126 high schools we need so much."

Veering off the subject of financing methods and on to educational needs, Southeast participants proposed some interesting ideas. For example, a participant at the Ketchikan workshop opened up the possibility of improving correspondence courses as a means of limiting the number of new schools in areas with only a few children. "After all, he said, "a building is not an education." This recommendation drew comments pro and con as people jockeyed around with the merits of correspondence courses. Many women in the room had brought up their children on these courses in logging camps and although some women favor the method, more seemed to feel that schooling is more than just books and homework. As one woman, formerly of Thorne Bay commented, "School involves, among other experiences, children relating to each other.

The people in Craig also felt the building was not the important issue but went on to suggest that when school construction is necessary, it should modestly fit community needs and not try to meet unapplicable and extravagant Federal standards.

Metlakatla provided another alternative to constructing new buildings, suggesting that the state make use of its satellite communications system to provide schooling for studentsin small isolated communities.

However, none of these comments get to the heart of the question and when all the suggestions are put aside, the majority opinion remains

to continue the present system of financing school construction, with a qualifying clause reading -- until local participation becomes a realistic option.

QUESTION 3
NORTH

"Public school operation and construction should be funded on a statewide basis equal for all areas, not unequal as it is now because of property taxes."

Nome

How should public school construction be financed in both organized and unorganized boroughs?

Questionnaire Results Number of Respondents: 127		Meeting Results
44%	100% State funding from the General Fund	
8%	100% State funding from a statewide sales tax	
19%	Local property taxes in all areas and supplemental funding where needed	100% Funding from the General Fund.
23%	Continue the present system which provides for land taxes plus supplemental State funding in organized areas, and 100% State funding in unorganized areas	
6%	Other; oil and gas revenues	

The clear majority for question three in the North was to provide 100% state funding from the General Fund for school construction in both the organized and unorganized boroughs. As a 16-year Alaska resident and civil engineer in Nome suggested: "Public school operation and construction should be funded on a statewide basis equal for all areas, not unequal as it is now because of property taxes."

It is interesting to note that on the tabulated questionnaires, newcomers to Alaska chose option 4 -- continue the present system--by 43%.

100% State Funding from the General Fund: In Kotzebue, participants at the Alaska Public Forum regional workshop urged 100% state funding from the General Fund for both construction and operation in order to provide, as one older participant said: "Equal educational programs in both urban and rural places in Alaska."

People also suggested that the state should, in the words of a young woman, "Lend an ear to the local school boards when determining the quality and specific needs for each school."

Both Nome and Barrow repeated the priorities established in Kotzebue. In Barrow, there was a great deal of discussion about the high costs involved in building schools in rural Alaska. It was pointed out that a school with a gymnasium, kitchen facilities and a space for school health services costs about $4.5 million for approximately 120 children in the North Slope. Participants in general were concerned that even the taxes collected by the borough from Prudhoe Bay, could not cover these excessive costs.

A young man from the North Slope Borough commented, "I would go for an educational system which is 100% funded by the state and 100% local control...it's the type of educational system we need 'cause we have so many cross-cultural types of experiences."

Finally, people in smaller village meetings throughout the Northern regions supported the choices of people in the regional centers and in almost every instance felt that school construction should be financed 100% through state funds.

Statewide Sales Tax: This option was discussed and dismissed as an unsatisfactory solution throughout the region. There was strong opposition to this choice in Kotzebue as participants discussed the

inequities of a tax that makes no allowance for income levels. People also suggested that more affluent residents often order goods from outside and these people would not be sharing in a sales tax burden.

There was also negative reaction in Nome where people commented that "village property and sales taxes would not generate enough revenue to build very much in this part of the state."

In Barrow, a woman indicated that she would rather have an increase in her income tax than a sales tax at which point another participant recommended looking at the new wealth the state would receive from oil and gas revenues and stop thinking about taxation. (It should be noted here that most of those people in the North who marked "other" for an answer generally recommended using oil and gas revenues for school construction).

Continue the Present System: This option was suggested by the people in Stebbins, St. Michaels and Unalakleet, all of whom have schools run by the Bureau of Indian Affairs. Consequently, these communities are not directly involved in the state school system or the problem of financing school construction in their communities.

QUESTION 3
SOUTHCENTRAL

"I have the feeling I'm paying more than my share but I don't think I've ever griped about it. Consider this fair warning that I'll be watching in the future."

Anchorage

How should school construction be financed in both organized and unorganized boroughs"

Questionnaire Results
Number of Respondents: 1,633

12%	100% State funding from the General Fund
14%	100% State funding from a statewide sales tax
22%	Local property taxes in all areas and supplemental funding where needed
32%	Continue the present system which provides for land taxes plus supplemental State funding in organized areas, and 100% State funding in unorganized areas
20%	Other; oil and gas revenues

Meeting Results: Anchorage

Other.
Continue the present system which provides for land taxes plus supplemental State funding in organized areas, and 100% State funding in unorganized areas.
Local property tax.

Outside Anchorage:
Continue the present system which provides for land taxes plus supplemental State funding in organized areas, and 100% State funding in unorganized areas.
Local property tax.
Other.

The people who did the most to influence the results of this question were the participants who mailed their questionnaires in from their own homes. A substantial 32 per cent wanted to keep things the way they are now. As one homesteader who lives in the Mat-Su Borough wrote: "I guess the present system must be all right, as I don't really remember feeling a big pinch."

The same thoughts were echoed by an Anchorage businessman on his questionnaire, "I have the feeling I'm paying more than my share, but

it can't be that outrageous as I don't think I've ever griped about it. Consider this fair warning that I'll be watching in the future, however."

The people who most preferred to continue the present system of financing the cost of school construction were the blue collar workers. Although every occupational group favored the present funding system, 42 per cent of the blue collar workers favored it, compared to 29 per cent of the professional/technical workers and 26 per cent of the white collar workers.

In the different age group distributions, those people under 25 and over 55 favored the present system than other age groups.

In meetings, most people were inclined to accept the present method of funding. However, those people who were aware that the school bond approved in the last election would not cover all the new school construction costs talked of a heavier commitment on the part of the unorganized borough to bear some of these costs.

This feeling was also repeated in the Anchorage meetings where several people wrote on their forms that they would be more inclined to accept the present system of funding <u>if</u> there was some sort of contribution the local communities could make--even if it were only some in-kind contributions.

To follow-up on the meeting results, a large percentage (32 per cent) of all meeting goers opted for the "other" option. One recurring alternative in the "other" category was to increase funding through oil and gas monies. One man from Eagle River wrote: "In Question number one, we're all millionnaires and you can't give the money to us

fast enough. Now, as I read on, you're sneaking up to pounce on us for a sales or income tax increase. What gives here? Couldn't we use some bucks from up there (arrow points to Question 1) and plug it in down here?" An overwhelming 68 per cent of Talkeetna's good-sized turnout voted to use the new oil and gas revenues for building public schools.

Three of the Anchorage workshop meetings came to the same conclusion, but all reiterated the need for some kind of local control and local contribution from every community.

Property tax, including a property tax on homes in rural communities was a second option for most people no matter what their age, sex or occupational category. Very little comment was generated in support of this measure, however.

A sales tax or income tax increase was an unpopular avenue for funding school construction. Besides the familiar argument that a sales tax is a regressive tax that most affects the people who are least able to pay, several people just crossed that option out completely on their questionnaire.

In a few of the local meetings, a suggestion was voiced to make exemptions for people without children so they would not have to share the burden with people with children. Ironically, in Homer a father of seven brought up the idea at which time he was answered by a 45-year-old woman who was married and had no children. She simply said, "Children are one resource we all will have to live with in the future whether I choose to have them or not."

QUESTION 4
SOUTHEAST

"Alaskans are really no different than many people in other states -- they want all the amenities of life at the front door and wilderness at the back door."

Juneau

What should be the primary objective for managing Alaska's land?

Questionnaire Results Number of Respondents: 395		Meeting Results
4%	To raise revenues for the State.	To provide land for public needs.
40%	To provide land for public needs.	
44%	To promote renewable resource development.	To promote renewable resource development.
10%	To promote industrial growth and development.	
2%	Other: Multiple Use.	

Southeasterners led the way for the rest of the state in selecting land for public needs and renewable resource development as the two most important land management schemes for Alaska.

Land to a Southeasterner is a very valuable commodity. Small and large communities alike are surrounded by the water ways of the Inside Passage and mountains covered by national forests. They are locked in and there is no room for expansion. But that is what they want; not tremendous growth or development, but personal expansion. As a young teacher at the Ketchikan workshop put it in a question to the Governor: "I'm asking the basic question, when am I and fellow people, fellow 'I's' going to get five acres to raise chickens and a garden on. We don't want a handout. We don't want to be subsidized. I'll buy it. When can I count on buying it?"

Despite the extremes in Southeast geography, there is some land that can be used for homesites. This land presently belongs to the

U.S. Forest Service. However, the State, through the Statehood Act, has the right to select acreage in these forested areas and this indeed would solve much of the problem that participants outlined at the Public Forum. Consequently, it is not surprising that one of the recurring themes throughout most of the Southeast meetings was to get on with state land selection in Forest Service areas.

Maybe it should be noted at this point that the results of the tabulated questionnaires differ only slightly, but they do differ from the results of meeting discussions. Renewable resource land management was selected as the first choice of people filling out questionnaires but land for public needs was the preference of people at meeting after meeting.

Land for Public Needs: At the Ketchikan workshop, most of the participants favored managing Alaska's land to meet public needs. In many cases, people marked "other" and wrote in "multiple use." They then went on to define multiple use as largely home-site and recreational land uses. Reiterating the option to manage the land to meet public needs.

Here, as in most of Southeast, participants went on to decry the lack of lands for hom-sites, the slowness of state land selection in the region and the state's failure to rid the public of land speculators. This last was a major concern as an outspoken 55-year-old legal assistant protested: "Large real property investors from Lower 48 should be precluded form buying up tracts of land, developing and selling it back to us for huge profits. Let's keep our land for Alaskans."

The people in Wrangell suggested that land be sold at a reasonable cost, but that length of residency be required as a safeguard against speculation and a rush of people from outside.

In Petersburg, people echoed this theme recommending that land should be set aside specifically for resident Alaskans.

With the exception of Juneau, Haines and Metlakatla, every Southeast community chose lands for public needs as their first option, further indicating the need for land on which to build a home. The most emphatic cry came from Sitka, where the problem has been severe for some time. Angoon participants suggested that if land were available for public needs, there might be fewer complications over the lands set aside for Natives through the Land Claims Settlement Act.

Thorne Bay people had difficulty relating to this question. The community is a logging camp and a company town whose land is under lease from the U.S. Forest Service. Although people expressed a real interest in buying a piece of the land for a homesite, there appears to be many obstacles along the way.

Land for Renewable Resource Development: The second option chosen by workshop participants in Ketchikan was the management of lands for renewable resources, referring generally to fishing, timber and tourism, the renewable resource industries that are the economic mainstays in Southeast.

The people in Juneau indicated that renewable resource management was their first priority because as a participant said: "local resources are, in fact, also public lands."

Most of the communities in Southeast chose this option as their second choice in meetings although as already mentioned, they voted for it as a first priority when filling out the questionnaire. Although the people of Angoon suggested this should be a third priority for land management after raising revenues for the state, they did urge that subsistence needs be protected in conjunction with developing renewable

resources.

Land for Industrial Development: This option prompted the most controversy. In Ketchikan, there was a minority concern that the state promote industry which immediately stirred up those people who insisted on preserving the traditional Alaskan way of life.

So it went throughout much of Southeast, several people supporting the opinion of a 56-year-old, fourteen year Alaskan resident who makes her living through rentals. "There is the need to open up more land for additional industrial development," she said. Alaska is such a large state with such a small population, that all living costs are higher than in the South 48. More people would generate more money in the economy thereby lowering the cost of living."

Conversely, others supported the thinking of the 36-year-old Juneau biologist who has lived in Alska for nine years. "Why industrial development?" he asked. "It benefits few Alaskans for a short time and cheats all of us who came here to escape the environmental destruction and population expansion that is absolutely inevitable with it."

People attending Public Forum meetings in the communities of Craig and Haines supported industrial development among their top choices. Both groups stressed the need for more employment opportunities and suggested this could be done by developing renewable resources industries and diversifying their local economies.

The issue of land management was perhaps the most important to people attending the Public Forum in Southeast and their direction is fairly clear. However, as a 17-year Alaska resident from Juneau said,

"Alaskans are really no different than many people in other states -- they want all the amenities of life at the front door and wilderness at the back door."

QUESTION 4
NORTH

"Industrial development? Sure we're in favor of it -- in Anchorage."

Kotzebue

What should be the primary objective for managing Alaska's land?

Questionnaire Results Number of Respondents: 100		Meeting Results
18%	To raise revenues for the state.	To promote renewable resource development.
30%	To provide land for public needs.	
41%	To promote renewable resource development.	Land for public needs.
11%	To promote industrial growth and development	

Generally, the tabulated responses on questionnaires supported the meeting discussions which, in both instances, indicated a preference for managing state lands to promote renewable resource development and to meet public needs.

In the North, these two categories are very similar. Renewable resources provide an income for people who fish commercially during the summer or herd reindeer, but more important in this area, the fish, reindeer, the caribou and sea mammals are the food -- subsistence for most people. That makes it not only a livelihood but a "public need."

Here it is interesting to see that among the people responding to this question, long-term residents gave 45% of their vote to the renewable resource option whereas newcomers to the state gave the same answer only a 12% vote.

Land for Renewable Resource Development and Public Needs: The dual role of renewable resources and public needs was stressed by participants at

the Kotzebue workshop. It was further pointed out that "native lifestyles must be considered with land use." One local resident reported that his group felt: "The land belongs to the individuals of the state and, it should be treated as theirs by concentrating primarily on renewable resources. This can be done in the areas of agriculture, reindeer herding and such things that would not necessarily damage the land and then, the same land could be enjoyed and used by the public."

On the issue of public needs, a familiar comment, and one reminiscent of Southeast, was made by Kotzebue workshop participants. "It's ridiculous to have so much land available and not be able to build a house on one little portion of it," protested a young social worker.

In Nome, participants were fairly evenly divided between using the land for renewable resource development and using it for public needs. In Barrow, however, participants rated managing the land for public needs slightly higher than renewable resource development which they placed second. Repeatedly, Barrow people referred to public needs as the preservation of a subsistance lifestyle.

in several of the smaller meetings, the options were the same. In Stebbins, people recommended that the first priority for managing state lands should be to provide for public needs and its second concern should be for renewable resource development. Unalakleet selected the same two priorities but in reverse order.

Land for Industrial Development: This issue was brought up at several meetings throughout the North. There were two divergent views coming

out of the Kotzebue workshop. A long-time Alaskan and teacher in the Northwest indicated: "I was very emotional about this and I carried the group along with me.. We could have industries for tanning of hides, mineral development, oil from belugas, making dog and cat food. These items could be hauled back with every carrier that leaves here empty and it would make it cheaper for the items coming up here," he added.

A second group at the same workshop wanted it known they vehemently opposed industrial development. Or, as one middle-aged man said: "Industrial development? Sure we're in favor of it -- in Anchorage."

These sentiments were echoed in Barrow by a young subsistence hunter who was concerned that industrial growth could be a "conflict of interest with our subsistence form of hunting and the type of pollution industrial development provides has a natural habit of wiping out our game and their habitat."

On the other hand, people in the communities of Gambell and St. Michaels recommended that the land be managed for industrial development which more closely translated to public works projects, i.e., people in St. Michaels were anxious to build a connecting road between that village and neighboring Stebbins.

Other: Several other interesting suggestions came out of the discussions on land. In Nome, participants suggested that the state promote cooperative management of lands with Federal interests as long as many state priorities will rest heavily on Federal policies.

This idea was repeated in Barrow only the perimeters were extended to include Native landowners. Here, participants encouraged a cooperative arrangement between state, federal and Native interests.

In Nome there were a series of suggestions included under "other" which ranged from creating a land bank to preserving game areas from promoting tourism to leaving the land alone.

In Barrow, a sense of regionalism prevailed, particularly evident in this question. Several of the comments included one from a concerned woman who asked: "Is it possible that after you're (the state) through mining or whatever, you can give the land back... to local governments?"

Another participant expressed concern that revenues from the land would go into an amorphous state General Fund and the region that produced the wealth for the state would not have its needs met when the money came out the other side of that Fund. Her solution? "My priority would be to use the lands both in an economic way and in a land use way that would promote regional private enterprise."

QUESTION 4
SOUTHCENTRAL

"It would be such a waste to see Spenard Road extended through state lands from the Anchorage Borough to the Mat Valley Borough through the new capital and beyond."

Anchorage

What should be the objectives for managing Alaska's land?

Questionnaire Results
Number of Respondents: 1,579

7%	To raise revenues for the State.
34%	To provide land for people's needs.
26%	To promote renewable resource development.
9%	To promote industrial growth and development.
19%	To preserve the natural environment.
5%	Other; Multiple Use.

Meeting Results
Anchorage:

1) People's Needs.
2) Renewable Resources.
3) Preserve Natural Environment.

Outside Anchorage:
1) People's Needs.
2) Renewable Resources.
3) Preserve Natural Environment.

Land for People's Needs: "With all this land up in Alaska, why is it that we can't have any of it to build a home or to use for ourselves?"

This question tells the story on the land issue for almost every meeting and most of the questionnaires. People in different parts of Southcentral may have had varying definitions of how they would use the land for "people's needs," but meet that need was the resounding answer, regardless of the participants location, age, occupational classification, sex or length of residency within the state.

To the people in the Anchorage area, people's needs meant getting a piece of the state to be able to build a home and raise a family. "But, we need some insurance that this disbursement of state land does not end up in the cutthroat real estate market where the land gets

speculated out of our means. Now, I don't mean I want a giveaway program or free land. I'd be willing to pay for it," so stated a 38-year-old pipeline worker who has been in the state for eight years.

The Palmer people wanted to look into the possibility of agricultural homesteading, which would combine the first and second priorities listed above. Both Palmer and Talkeetna respondents criticized the "Hippy Homestead Bill" designed to give small tracts of two acres to Alaskan citizens: "Fat load of farming you can do on two acres," chided one Talkeetna farm man as the crowd guffawed in agreement. In Kenai, "people's needs" meant some small park land tracts and land for bike trails.

One person who attended the Dimond High School meeting in Anchorage said he sat beside a few environmentalists "who, to my surprise, weren't arguing for preserving the natural environment. They seemed to believe that a lot of the federal withdrawal lands were going to be used for that, so they too, opted for people's needs fist," he said.

Land for Renewable Resource Development: Renewable resources was also a familiar response for people throughout the area. Every age group, except those under 25, favored renewable resources as the second alternative for use of the lands. Blue and white collar workers, as well as those in the non-working category ranked this second.

Land to Preserve the Natural Environment: The people under 25, especially those who were professional or technical workers favored

preserving the natural environment as their second choice. There also was a direct correlation between how long one had been in the state and how strongly she or he felt about preserving the natural environment. Those who were in the state less than three years ranked preserving the natural environment as their second priority by 37%. Those in the state from four to ten years gave 24% of their support to preserving the natural environment. And those who have been here more than ten years gave 14% of their support to environment preservation.

In Homer and Talkeetna, preserving the environment was a major priority. Those who attended in Homer also voiced their concern over offshore oil and gas activity. Talkeetna protested being "capital-ized and dam-ized to death" (the capital move and Devils Canyon Dam), as one local government employee put it. The people explained that time and effort should be taken to insure the land is kept environmentally sound -- no matter what the future might bring.

Land was a sensitive issue at the Mat Valley meeting. Several people voiced their opposition to the State decision not to transfer lands over to the Borough immediately. "How can you come up here and ask us what we want the state to do with the lands," asked the Borough Mayor, "when the state won't give us what we are already entitled to." Other: The majority of people who voiced an option of "other" wrote or talked about using the land in multiple use schemes.

Several people who wrote comments on their questionnaire

specifically mentioned the need for regional planning and a state-wide land-use plan. "With the impending capital move, it will become more important than ever to have some definite state land plans that stretch over the borders of one borough to another," said an Anchorage dentist. "It would be such a waste to see Spenard Road extended through state lands from the Anchorage Borough to the Mat Valley through to the new capital and beyond," he said.

QUESTION 5

SOUTHEAST

"Do Alaskans really have any choice or say in the oil or gas policies or will Federal demands and monetary gains by industry overriding citizen's desires?"

Sitka

What should be the State's policy on future oil and gas lease sales?

Questionnaire Results Number of Respondents: 468		Meeting Results
5%	It should sell leases as fast as possible to maximize its oil and gas revenues.	
60%	It should sell leases at a moderate rate to assure a steady flow of income for a long period of time.	It should sell leases at a moderate rate to assure a steady flow of income for a long period of time.
7%	It should lease when the State needs large sums of money to meet public needs.	
22%	It should do no further leasing and make the best use of present income.	
6%	Other: Environmental and community safeguards	

The overwhelming choice in Southeast meetings and questionnaire responses for Question five was to sell leases at a moderate rate to assure a steady flow of income over a long period of time. Here, as well as almost every other region, this answer was given with some reservation for the most part related to community and environmental impacts. In Southeast, people also felt that some of the resource wealth should be saved for future generations.

From the tabulated questionnaires, it appears that these secondary concerns were very important to some of the people and could explain in part the number or participants who supported the option to do no further leasing but make the best use of present income. The tabulations also point out that younger people between the ages 25-34

were most in favor of doing no further leasing while people in the age brackets of 35 and over heavily supported moderate leasing.

Sell Oil Leases at a Moderate Rate: Although this option was selected as a top priority in both the workshop and community meetings, it did not happen without much discussion. In Ketchikan people defined the term "moderate rate". As the middle aged lodge owner from Admiralty Island summarized: "We want to keep the oil flowing for 50 years and with it a moderate rate of income figured for the same 50 year period... we want all to see some left for future generataions, but we still want to get a moderate rate over 50 years."

Some participants wanted it made clear that they felt moderate rate should mean minimizing the negative aspects of development. As one participant said: "We do not want another Prudhoe Bay situation where great numbers of people come in and upset the lifestyle."

Although people who attended community meetings supported the Ketchikan results, there were several additional comments worth noting on the subject of selling at a moderate rate.

In Wrangell, people thought this would be the best solution for overcoming Alaska's history of boom or bust. In Petersburg, participants urged cooperation between federal and native leasing policies adding that the state should have more of a say in Federal leasing decisions affecting Alaska. This was part of the same concern for a nurse in Sitka who asked on the Public Forum questionnaire: "Do Alaskans really have any choice or say in the oil or gas policies or will Federal demands and monetary gains by industry overriding citizen's desires?"

People in Skagway suggested that the state should base its policy on national needs as well as what's best for Alaska, but went to support leasing gradually.

Sell Leases to Maximize Revenues: In the Ketchikan workshop, in Juneau, in Metlakatla and to some extent in Skagway, people indicated a preference for maximizing revenues but deleted the part of the option referring to the rate at which this is done. In Juneau, participants specifically recommended that the state minimize hazards and sell when the market is right.

Do No Further Leasing: This option was an undercurrent throughout all the meetings in Southeast. Sitka alone made it their priority, but added that if the state must lease they should work closely with and respect the needs of local communities.

An 83 year old halibut fisherman from Petersburg explained his feelings on his questionnaire: "One of the world's richest fisheries must remain undamaged in this global exploding population increase."

Lease Only When the State Needs Revenues: This option was not well received in meetings and fared only slightly better on the questionnaire responses. One of the major concerns over this leasing method was that if the state waits until it needs the money, it very well might sell in a panic and receive less than the land was worth.

QUESTION 5
NORTH

"The social impact of oil development on native peoples has reached deep into their lives to an extent not seen or readily accepted. Due to the differences in environment past and present, cultures and 'sudden' change, the true natives of rural Alaska are unheard. Please listen. Subsistence living is a way of life that we wish to continue with."

Barrow

What should be the State's policy on future oil and gas lease sales?

Questionnaire Results Number of Respondents: 126		Meeting Results
5%	It should sell leases as fast as possible to maximize its oil and gas revenues	Sell leases at a moderate rate to assure a steady flow of income over a long period of time with maximum safeguards against impact on communities and harm to fish and game. Above all, involve local communities at all times.
51%	It should sell leases at a moderate rate to assure a steady flow of income over a long period of time	
15%	It should lease only when the State needs large sums of revenue to meet public needs	
13%	It should do no further leasing and make the best use of present income	
15%	Other: (Community and Environmental impact)	

As the issue of land in Southeast was an intensely personal concern to the people of that region, so it was with the issue of oil exploration to the people attending Public Forum meetings in the North.

In both Nome and Barrow meetings, participants singled out aspects of leasing and exploration activities that concerned them most and listed them as separate items under regional issues in Question seven.

Although the overwhelming preference of people in the North was to pursue a moderate leasing policy, the following information appeared in the tabulated responses. It appears that more men than women prefer to lease rapidly, while older individuals seem more interested in

leasing moderately than younger people. (Those over 45 years of age prefer moderate leasing by as much as 68 per cent while those under 34 only tallied 46 per cent.) A moderate leasing policy is also more heavily supported by people who have lived here for longer periods of time.

Sell Oil Leases at a Moderate Rate: Generally, people were in agreement that the state should lease its oil and gas lands at a moderate rate but participants went on to add a series of cautions. Most of these recommended that the local communities be involved in all activities, that there be provisions for local hire and that every effort be made to see that fish, wildlife and other subsistence needs are not disturbed by the process...if its not too late.

A 27 year old subsistence hunter from Barrow made his plea on the questionnaire he sent to the Public Forum: "The social impact of oil development on native peoples has reached deep into their lives, to an extent not seen or readily accepted. Due to the differenced in environment, past and present cultures and 'sudden' change, the true natives of rural Alaska are unheard. Please listen. Subsistence living is a way of life that we wish to continue with."

At the Kotzebue workshop, most of the participants favored selling leases at a moderate rate. There were a number of recommendations to study affected areas and work with the communities who would suffer the most impact from leasing activities. One group suggested locating all support services in a separate area, away from any villages so that the disturbance to local life would be minimal.

In Kotzebue people recommended that local persons be trained for jobs in the oil industry if development is to take place on their doorstep.

In Nome, although participants agreed that the state's policy

should be to sell leases at a moderate rate, they stressed their concern for local communities affected by these activities. Nome urged that studies and planning activities begin soon to offset any severe impact from outer continental shelf exploration. As a middle age businessman said: "We need impact help now to move smoothly through some rough times ahead. We can't wait till Front Street in Nome becomes another Second Avenue in Fairbanks. And it will be just the same if we don't look ahead and get some help now."

Lease Only When the State Needs Revenues: A small group of Kotzebue workshop participants supported this option, unlike Nome participants who specifically cautioned against selling leases only when the state needs money. "If we sit back and wait for a time when the state is damned near broke," protested a middle-aged construction worker, "and have a lease sale then, we end up with no money from it because it's going to go right in the (General) Fund and be spent immediately."

Do No Further Leasing: On this option, Barrow participants added the phrase "until technological and environmental impacts have been studied." The village of Unalakleet also recommended that the state do no further leasing and make the best use of present income, while the village of Gambell suggested that the state lease only after safeguarding environmental impacts.

Other: The participants at Barrow recommended an option unique to that region suggesting that the state follow a policy of leasing onshore rather than offshore. This response came very clearly from people who rely heavily on the harvesting of sea mammals for their livelihood. If these mammals are placed in jeopardy, the people of the North Slope will suffer the consequences. As one native man observed: "I think that would be the best deal (to drill onshore rather than offshore) becuase when you drill in the water, you're going to

lose the mammals that we've had for centuries. They have already been disrupted now--we've seen that this fall. We didn't see any small whales. All we saw was big ones and we had to go so far out, we couldn't even save the meat. By the time we got in here, they got bloated."

Barrow participants also proposed that the idea that the state function as an oil compant itself to break its dependency on the industry and keep 88% of the money instead of the 12% royalty share. This same thought was brought up and dismissed by Southeast and Southcentral participants who felt that the state had enough trouble managing its services now, and certainly would find the oil industry a difficult area to manage.

Question five caused concern in several small community meetings. Specifically, the communities of Shungnak, Kobuk and Kivalina felt unprepared to answer this question until they had more information on what actually happens to a community once a lease is sold.

QUESTION 5
SOUTHCENTRAL

"There's got to be some local control over these sales. We have to live with the impact before, during and long after the damn oil rigs are in place."

Seldovia

What should be the State's policy on future oil and gas lease sales?

Questionnaire Results Number of Respondents: 1,609		Meeting Results: Anchorage
2%	It should sell leases as fast as possible to bring in a lot of money immediately.	It should sell leases at a constant pace to assure a steady flow of income over a long period of time. It should do no further leasing.
62%	It should sell leases at a constant pace to assure a steady flow of income for a long period of time.	
8%	It should sell leases when the State needs large sums of money to meet public needs.	Outside Anchorage:
14%	It should do no further leasing and make the best use of present income.	It should sell leases at a constant pace to assure a steady flow of income over a long period of time. It should do no further leasing.
14%	Other: Involvement of impacted communities	

A moderate leasing plan that would take into account native and federal leasing programs polled strongest throughout the Southcentral area--regardless of whether the participant was young of old; male of female; a white collar or blue collar worker; short term or long time Alaska resident, in either an urban or rural setting.

"In fact, I rather thought this question was like 'when did you stop beating your wife?' explained a librarian from Anchorage. "Of course the most rational plan is to do it at a moderate, constant pace."

Anchorage residents along with the Matanuska Vally participants opted for a leasing plan that would stretch for many years. But, while the Anchorage and Valley residents tallied over 62 per cent majorities for a constant leasing pace, the people on the Kenai Peninsula and

Susitna Valley wanted the pace to be slow to none at all. And, in fact, at the meetings held in Homer and Talkeetna, a majority of the people preferred to halt the leasing schedule altogether.

Generally, those under 35 years of age, while supporting a moderate leasing schedule, preferred it by a smaller margin than did those over 35. A growing number wanted to stop the leasing for at least the time being.

Many people throughout the region mentioned plans by the native corporations and the federal government to begin oil exploration within the next few years. One federal employee in Anchorage explained how he regarded cooperation with the federal and native leasing plans: "The cooperation should mean that we cooperate and sell our leases next to the feds and native leasing platforms whereby we should place our drilling straws into the adjoining oil they are trying to siphon off of us."

Almost every person who took time to write a suggestion regarding this question mentioned the need for community involvement long before the date of the actual lease sales. Several people wanted the state to hold off leasing any tracts until the local communities could sign off and approve the sale. "There's got to be some local control over these sales. We have to live with the impact before, during and long after the damn oil rigs are in place," a Seldovia woman wrote.

The vast majority of participants had little use for either a fast leasing schedule or one that implied panic selling whenever the state needs money.

QUESTION 6
SOUTHEAST

"The best use of Alaska's royalty oil and gas would be to use whatever portion is necessary to make Alaska independent from the rest of the country (world) regarding fuel oil and gas..."

Gustavus

What is the best use of Alaska's royalty oil and gas?

Questionnaires Results Number of Respondents: 459		Meetings Results
37%	The State should take its royalties in money or substance to sell for a financial gain	Sell it for financial gain.
19%	The State should use its royalty oil and gas primarily for the purpose of promoting industrial development in the State	
31%	The State should provide in-state residential use of the royalty oil and gas	
13%	Other	

Sell Royalties for Financial Gain: Southeast people in general, chose to use the oil and gas royalties for financial gain and by selecting this response they differed from Public Forum participants in other regions of the state. Southeasterners often put forth this recommendation coupled with the fear suggested by a 45 year old bartender that "None of that oil and gas will get down to this part of the state anyway."

Participants in Ketchikan, concerned over the limited access they have to the state's oil and gas, suggested that Southeast consider getting its gas from Northwest Canada rather than Alaska through British Columbia. "It might be cheaper," recommended a middle aged accountant from Wrangell. This same concern appears in question 7 when participants look into alternate energy sources for Southeast.

There was also much support for the option to provide oil and gas for in-state residential use and many people chose this by checking "other" where they pencilled in "a combination of options (a) and (c)."

A young fisherman from Gustavus explained his thinking this way: "The best use of Alaska's royalty oil and gas would be to use whatever portion is necessary to make

Alaska independent from the rest of the country (world) regarding fuel oil and gas. The remaining royalty oil or gas could then be sold to provide money for the state's General Fund."

Most of these participants in Ketchikan and in other community meetings went on to recommend that whether the oil and gas stays in-state or is sold outside, it should provide some financial gain.

Other comments on the issue of oil and gas royalties ranged from using the revenues to develop alternate energy sources, an idea coming out of the Ketchikan and Craig meetings, to support of the all Alaska gas pipeline by Thorne Bay participants.

Royalties for Industrial Development: There was some support for the idea of using the royalty oil and gas for industrial uses, particularly in the community of Haines, but this appears to be a reflection of the current employment crisis and people's interest in diversifying the local economy in that town.

Other communities vehemently opposed the use of oil and gas for industrial development, specifically the people of Sitka who although they supported residential in-state use of royalties, were very much opposed to the industry which might accompany this in-state use. This thought was broadened by the people in Wrangell and Petersburg, who hesitated to approve the use of the royalties for in-state use at all, claiming that the industry necessary to refine the crude oil was not worth the gain by the State or its residents. As a participate in Wrangell said: "It could seriously affect the quality of life here in Alaska."

Some communities such as Juneau reached no concensus. Juneau participants ended by recommending a combination of all the concerns while expressing a caution against unwanted industrial growth.

QUESTION 6
NORTH

"If pipelines can replace oil barges they may pay for themselves in short order."

Nome

What is the best use of Alaska's royalty oil and gas?

Questionnaire Results Number of Respondents: 127		Meeting Results
24%	The state should take its royalties in money or substance to sell for financial gain.	The state should provide in-state residential use of the royalty oil and gas
11%	The state should use its royalty oil and gas primarily for the purpose of promoting industrial development in the State.	
53%	The state should provide in-state residential use of the royalty oil and gas	
12%	Other (combination of the above)	

As the chart above indicates, participants at Public Forum meetings provided the same solution to Question six as those who responded through the questionnaires. This issue was particularly significant in the Northern communities because of the high prices people pay for fuel. Generally, participants looked to oil and gas royalties as a method of reducing the price of oil in rural Alaska. A 32 year old native leader from Nome suggested: "If pipelines can replace oil barges, they may pay for themselves in short order."

Sell Royalties for Financial Gains: Despite the regional findings, however, Kotzebue Public Forum participants selected residential in-state use of royalties as their second choice. Instead, people leaned toward the option of selling the royalties for financial gain as their first priority, often indicating that the state should not encourage the industrial development connected with the petro-chemical industry. The people in Stebbins also recommended using the oil and gas to sell for financial gain.

Royalties for In-state Residential Use: Kotzebue workshop participants indicated that they might find this option acceptable if the state could do something about the present inequities in the cost of fuel oil. It was brought out that the people in Shungnak must pay $83 for a drum of oil and that people in Anchorage pay something closer to $25 a drum. Participants suggested that the state might equalize the prices by using its royalty shares, and by subsidizing the cost of its transportation.

A Northwest resident and civil engineer suggested the following use for the royalty oil and gas. "Why not model it after the Native Claims Settlement Act and give each Alaskan 100 shares for a certain portion of the royalties and establish a corporation," he said. "Give each Alaskan 10% in cash."

In Nome, participants recommended using royalty oil and gas for all three of the options with preference for in-state residential use and then in-state industry, i.e., to aid some of the mining activities in the Nome area. They suggested the state sell the remainder, if there is any, at the highest market price.

In Barrow, participants also chose to use the royalty oil and gas for in-state residential use, indicating a preference for the state to distribute the oil and gas at the regional level where it could then be further allocated by the regional government based on the needs of the people.

In the smaller communities of Shungnak, Gambell and St. Michael, comments supported the idea that the state should use its oil and gas royalties for in-state residential use. In Unalakleet, people suggested the state use the royalties to meet all in-state residential needs and sell whatever was left over.

QUESTION 6
SOUTHCENTRAL

"...I think it's important to cut us into that oil and gas market directly--even if the price doesn't go down. At least we'll have the resource!"

Kenai

What is the best use of Alaska's royalty oil and gas?

Questionnaire Results
Number of Respondents: 1,620

14% The state should sell its royalties to make money
25% The state should use its royalty oil and gas primarily for promoting industrial development in the state.
42% The state should provide in-state residential use of the royalty oil and gas
19% Other - all of the above with environmental considerations

Meeting Results: Anchorage

In-State use
Other

Outside Anchorage:

In-state use
To make money

The preference among participants of what to do with the state's 12½ per cent of royalty oil and gas was clearly to use the petroleum products within the state. The first priority was to use the oil and gas for residential use.

The younger the participant, the stronger the preference to use the oil and gas for residential use as opposed to promoting industrial development.

"You would think", said a worker from the Kenai Cook Inlet oil fields, "that if we mandated the oil and gas stay within the state, that would mean that your and my gas and oil prices would go down. That's probably not necessarily so. But, in any event, I think it's important to cut us into that oil and gas market directly--even if the price doesn't go down. At least we'll have the resource!"

A borough assemblyman from Talkeetna opted for increasing the royalty cut for Alaska to somewhere between 40 and 65 per cent "as the Arab states do". Nearly 70 per cent of the meeting goers agreed and added the stipulation - - with "in-state use".

Where the Greater Anchorage Area people wanted to make sure the oil and gas stayed within the state for residential use, they were not as sure as the people from

the Matanuska Valley and the Kenai Peninsula. Anchorage came up with only a 39 per cent preference compared to the Valley's 61 per cent in favor of residential use. Peninsula people tallied a 45 per cent preference for in-state use.

The professional-technical, blue collar workers and the non-workers all agreed that in-state residential use was the best use of the royalties, but the white collar workers were more in favor of using them to promote industrial development within the state.

The questionnaires filled out by participants in their own homes favored the in-state residential use. But, in the meetings, where several innovative plans were discussed, the majority opted to favor the "other" alternative.

Other: Some of these plans indicated there should be a "mixed-bag" policy of using the oil and gas royalties. If just the railbelt were to profit in lower prices through development and refining of oil and gas, then Southcentral participants felt there should be some compensation for other parts of the state which did not have ready access to the refined products.

Many felt the gas package worked out with El Paso, Tenneco and Southern Gas should be studied to see what changes should be made for future royalty commitments.

There were words of caution, especially by the people in the Homer area, that without assurances of lower oil and gas prices, development and refineries should not be allowed.

Almost everyone who checked the "other" category asked that stringent environmental precautions be taken before development began on any refinery.

"It sounds enticing to us all to be really independent and produce our own products from our own resources, but if we become just another conduit for big oil production with little control or benefit, then we really won't accomplish much at all", said one economist working in Kenai.

Those who mentioned selling the oil and gas royalties outside Alaska to make money were in the minority, but these people identified with many who outlined their preference in the "other" category. Many felt that any revenues to be derived from the royalty oil

and gas sales or the refining of the product should go to develop alternative energy resources, especially solar, tidal and wind energy.

QUESTION 7
SOUTHEAST

"That ferry system is our road to the south and you keep reading in the paper about the profit its making or money that they're losing. There ain't no talk about the profits they're making or how much money that they're losing on the roads into Anchorage and Fairbanks."

Ketchikan

What other state problems do you feel should be considered?

Questionnaire Results	Meeting Results
Renewable Resources	Transportation
Health & Social Services	Fisheries Rehabilitation
Land & the Environment	Alternate Energy Sources
Alternative Energy	Communications
Non-renewable Resources	
Transportation	
Communications	
Government Operations	
Economic Issues	
Capitol Move	
Alaskan Lifestyles	
Education	

The three local issues Ketchikan workshop participants chose to discuss were transportation, fisheries rehabilitation and alternate energy sources. These concerns remained consistent throughout most of the smaller community meetings and only communications stood out as a topic to be added to the Ketchikan list.

Transportation: Tnis subject proved to be the major concern among Southeasterners. At the Ketchikan Public Forum, participants discussed the ferry system in some depth and roads and air service as secondary transporation problems. A number of criticisms were leveled at the Marine Highway ferry system, among them inappropriate schedules and

unacceptable sanitary standards. More than this, participants repeatedly echoed the sentiments of a middle-aged logger who said: "That ferry system is our road to the south and you keep reading in the paper about the profit its making or how much money you're losing. There ain't no talk about the profit they're making or money that they're losing on the roads into Anchorage and Fairbanks. I think that this ferry system is our road and it should be treated that way and people should stop talking about the profit and loss."

This theme was repeated throughout Southeast in Sitka, Wrangell, Petersburg, Skagway, Haines and others. Metlakatla participants explained their problem with the Marine Highway. "We've got nothing but that little Chilkat ferry coming in here four days a week," explained a middle-aged fisherman. "It carries up to 40 people and with one full van on it there's no room for cars."

In Skagway, people returned to the issue of the ferry system, particularly its inadequate service and schedule. As a young teacher said, "We have four or five ferries a week in the winter and that sounds real good, but three of them are on Sunday." Thorne Bay added the recommendation that the state look into the use of hydrofoils to transport people and goods throughout the region.

There were comments on the inadequacies of air transportation and particularly the need to upgrade the navigational aides at the Southeast airports. On the subject of roads, it was suggested that smaller communities might be connected by roads and that logging roads might be upgraded and incorporated into the public highway system.

Additionally, people in the Petersburg-Wrangell area were anxious that the state complete the road linking them to Canada. Thorne Bay and Klawock discussed the need for improving roads that connect various towns.

A final note on transportation was the wide sweeping concern that local communities be included in any transportation plans that will affect them.

Fisheries Rehabilitation: On the issue of fisheries, there was a reaffirmation of the region's commitment to rehabilitate the strugging industry through more planning, research and technical assistance.

There was support for hatcheries. "We have a pattern of destroying and then trying to build after the damage is done." "Why can't we use sensible management now?" demanded a frustrated Craig fisherman. "I don't think that there's a fisherman in this country that wouldn't pay his fair share. I personally have signed an agreement with the Aquaculture Association to take three percent of my catch next year and put it into hatchery rehabilitation...but what I'm trying to say is that it's my job to catch fish; I want to go on and do my job, but I also want to make sure...someone isn't going to point a finger at me 20 years from now and say 'that guy was a fisherman and he used to catch lots of fish, but the fish are gone because he caught them all'."

There was criticism of the Department of Fish and Game. Said another long-time Southeast fisherman, "I want to know that when the Fish and Game are telling me I can go fish that they're right and I can leave something for posterity -- myself or my children."

There was great concern over the rapidly disappearing herring runs, important because the herring is the primary food of the sought-after salmon. "Do you know what they (Fish and Game) do? They go out all over the State of Alaska and sell these herring with the eggs to Japan. What are you going to feed the fish when you get rid of all the herring? You're going to have less fish and the ones you got will be smaller..."

Angoon participants discussed the abuse of herring fishing in the waters off their village. The conversation was long and heated and ended with a petition to the Governor. (This petition has subsequently been honored and herring fishing in the Angoon area has been stopped).

Alternative Energy Sources: On the subject of alternative energy sources, Southeasterners at the Ketchikan workshop voiced a strong concern that the state begin to work on hydroelectric power to service the region. There were suggestions of tidal and wind power research but hydroelectric power was recommended most often. New energy sources for local use was also the subject of meetings in Craig, Klawock and Juneau.

Other Concerns: In Juneau, people provided a list of concerns with the Capitol move at the head. They went on in turn to discuss the need for long-range comprehensive state planning; problems with transportation, fisheries, boom and bust economy, communications, and maintaining the Alaskan quality of life. In several meetings, communications was mentioned as a problem for Southeasterners. In

Metlakatla and Haines, the participants recommended that the state expand its Telecommunications system.

QUESTION 7
NORTH

"We've got to plan now. We've got to make sure that the facilities they put in are high quality so that we know we won't be left with a pile of junk when everybody pulls out."

Nome

What other state problems do you feel should be considered?

Questionnaire Results

Renewable Resources
Alcoholism
Land and the Environment
Alternate Energy
Communcations
Government Responsiveness
Economic Issues (Cost of living, taxation, industrial development)
Alaskan Lifestyles (subsistence)
Education

Meeting Results

Renewable Resources & Subsistence Living
Oil & Gas Exploration
Transportation
Community Development
Alcoholism

Throughout the meetings in Northern communities, several important themes emerged in the areas of: 1) oil and gas exploration impact, and state outreach to isolated rural communities.

It is not surprising then that most of the comments both on the questionnaire and at meetings focus on these areas. Beyond these, three other major concerns surfaced: transportation, communications and alcoholism.

Alcoholism, Communications, Fisheries: At the Kotzebue workshop, participants elected to discuss the issues of alcoholism, transportation, communications and fisheries. They went over these at length, recommending that a tax be placed on alcoholic beverages to rehabilitate

the alcoholic (please see Question two). This suggestion was repeated throughout other regions of the state, but it was perhaps the most urgent recommendation made by the 100 participants in Kotzebue. Other comments were brought up by Northwest people at the regional workshop. One young native man suggested there is a lot of need for education on alcoholism, not only on the part of the state, but local communities themselves. Many people don't realize the choices communities have through statutes such as limiting the hours a bar may be open. With enough pressure, "perhaps," he continued, "municipalities would close the bars at two o'clock, rather than five."

On the issue of communications, participants indicated the need for more than one phone in a village and the desire to have television expanded to bush communities. They also discussed the flow of information as a communications problem to people living in isolated areas. One participant said in December, "I'm still receiving election news and at last count Carter and Ford were running head to head."

Finally, on the issue of fisheries, there was discussion of developing fish hatcheries to insure a regular harvest of fish. As a middle-aged Northwest resident outlined the problem: "I get out in these villages and I see there's no salmon coming up streams and that they should be full of salmon. This should be eliminated, but there has to be some planning and some effort and some money spent. But this money is returnable when the fish come in. It will create jobs. There can be a percentage or a price per pound of fish that

come back to repay the money that is spent to develop a hatchery in the first place."

Transportation: This was selected as a major concern at the Kotzebue, Nome and Gambell meetings.

Kotzebue criticism was leveled primarily at the air service and the apparent abuse of freight and mail delivery. Specifically, participants voiced concern over airport maintenance in the smaller villages, citing second-hand, inoperable or non-existing equipment in villages can mean weeks without plane service when the air strips are icy or muddy. Others went on to criticize the location of the air fields, indicating that planes often have to land and take-off in dangerous cross-winds. Further, people mentioned the need for lights and other conveniences, particularly to expedite medical evacuations.

People in the Nome area were also concerned about transportation. Again, freight was a major concern and participants felt the state should play a major role in providing a remedy to this problem. Air schedules and routing drew fire as people protested that there is no direct flight to Anchorage. "A poor patient," said one participant, "is left laying in the plane for three or four hours at a time when they should be right in Anchorage at the medical center."

A 42-year-old laborer from Gambell reiterated the needs of that community. "We very much need transportation and mail service like freight and packages at Gambell."

Oil and Gas Exploration Activities: In Nome, Public Forum participants expressed concern over the social, cultural and economic impacts of outer continental shelf exploration on Norton Sound communities. They

echoed many of the statements made by people discussing the state's oil and gas leasing policies (please see Question Five). Chief among their concerns was that Nome, as well as other affected communities, receive impact aid as soon as possible so that they can begin immediately to offset any environmental and social disruptions. Participants urged careful study before any action is taken and further recommended that the local communities participate in the leasing and exploration process to every extent possible.

"We've got to plan now," said one construction worker. "We've got to make sure that the facilities they put in are high quality so that we know we won't be left with a pile of junk when everybody pulls out."

A final concern voiced by the people in Nome centered around the proper management of fish and wildlife. People felt that realistic control should exist to make sure that there are always resources for those on subsistence. "If the animals are hurt, the villages are hurt."

In Barrow, the major concerns of the people centered around the distribution of oil and gas revenues and fear of offshore leasing impacts. Most often people questioned what more leasing might mean for them, "Now it seems our land is producing that money -- $3 billion," said an elderly Native man. "I guess we would like to know what percentage of that money we might be getting." In response to this point, participants urged that the state give more of its revenues to regions that actually produce the oil to offset the costs they incur from exploration impact. Another Native Barrow resident posed a second problem: "As time goes on, we will have our taxes so high

to pay that we will run out of money and eventually (Native lands) will revert to state lands. "...why should we lose our land on which we are producing the biggest money?" From this point came the recommendation that oil money should go to local governments to reduce property taxes of new landowners.

The participants recommended that the state try to minimize the impact of oil and gas development in Pet 4. Further, they suggested that the state lease onshore rather than offshore to save the sea mammal population for subsistence needs, but added if there was offshore exploration, the state should research the effects of OCS activities on sea mammals first. (See Question Five). Barrow participants went on to recommend that the state work to coordinate its outer continental shelf development with Canada who has already begun work in the Beaufort Sea. And, finally, participants urged that local people be more involved in game management, particularly in determining the number and distribution of caribou permits.

Community Development: Another major concern for people in the North involved community development issues. People in several villages such as Barrow and Deering raised this issue. They discussed unemployment, poor quality of health care and the need for sewer systems in the villages. All communities recommended that the high cost of living considered in revenue sharing formulas.

The people of Deering talked of the need for a seawall to protect the village and that community, along with others, urged that state officials respond to the problems of isolated communities, "Weeks and often months go by with no word on grant or information requests," advised the city clerk, "We can't do anything."

QUESTION 7
SOUTHCENTRAL

"There's just too many new people coming up here and getting a free ride; normally, I wouldn't mind, except it appears that I'm the one that has to provide some of the free transportation."

Homer

What other State problems do you feel should be considered?

Questionnaire Results
Number of Respondents: 546

Government Efficiency
Economic Growth Throughout Alaska
Transportation
Land & Environment Issues
Crime & Judicial System
Health & Social Service Problems
Education
Capital Move
Renewable Resources
Alternative Energy Sources
Labor Issues and Control
Natives and Subsistence Lifestyles
Non-Renewable Resources
Housing

Meeting Results
Anchorage:

Government Efficiency and State Growth
Transportation
Criminal Justice System

Outside Anchorage:
Government Efficiency
Alternative Energy
Transportation

Government Efficiency: The growth of state government and the efficiency of its operation was the most popular new question brought out by the Southcentral participants. "Government's just getting too big," was a comment written on all the question boxes on a few of the questionnaires. The old attitude of government stepping in and doing more than the people think it should be doing, "just goes against what I thought Alaska was supposed to be all about -- a little bit of independent freedom," wrote a railroad worker from Palmer.

"I look around me and see two pages of state offices here in Anchorage in the telephone book and yet I just want to find out where

to get an income tax form and nobody can help me," said a 35-year-old woman from Spenard.

At all of the meetings, government inefficiency was a topic people kept coming back to, whether the groups were discussing what to do with the Permanent Fund or what their human need priorities were. A Kenai eye doctor cautioned that nothing be done with the Permanent Fund until the state sets a limit on how many new people would be hired to take care of the fund. "I hate to suggest any new and needed programs because it would only add another level to the bureaucratic structure," a Susitna Valley grocer objected.

State Growth: The growth of the state -- whether economic conditions or population increases -- were both mentioned as the region's second priority in this open field of questions.

"There's just too many new people coming up here and getting a free ride; normally I wouldn't mind that, except it appears that I'm the one that has to provide some of the free transportation they get," said one old-time barkeeper from Homer.

How to best control growth so that it doesn't get out of hand was mentioned by several people. The Mat Valley and Kenai Peninsula residents often wrote on their questionnaire that limits should be placed on the new people that would be allowed to settle here, "especially if they're just going to take jobs away from Alaskans or land on the unemployment rolls," offered a grocer from Anchorage.

Transportation: The potholes in front of a participant's home, the lack

of ferry service to Anchorage, the question of whether or not to open the North Slope haul road, expansion of the present road system and upgrading other roads were all concerns Southcentral people had about transportation. In fact, most people who identified more than one problem under question, seven wrote down one that was transportation-related. Miners from the Valley wanted new roads into the mining-rich areas there; Anchorage Sand Lake residents wanted to be able to get to work in the morning in less than 40 minutes and Kenai area people wanted more off-the-beaten-track accesses.

"It just galls me that there appears to be so much money going to come into the state with the oil pipeline and yet I can't get the roads sanded for weeks at a time," said one trucker from Anchorage.

Transportation planning and more mass transportation were touched on, but mostly people just wrote "Transportation -- a big problem."

Land: Land issues which included homesiting, land speculation problems, air and water pollution and fish and game management were all voiced as issues by participants. People on the Kenai Peninsula cautioned about spending so much time talked about oil and gas related issues. They were more concerned about preventing pollution from the development. Anchorage area people concerned about the environment mentioned air quality frequently. They also referred to their concern over the rising cost of land which was speculated out of their reach.

Criminal Justice: Within the Anchorage area, crime, criminal justice and the general operations of the judicial system were a key topic at all the Anchorage workshop meetings. But, especially in those areas

that do not now have police powers (i.e., outside the old city limits and Spenard), people were concerned about the lack of police protection and the enforcement of penalties imposed on criminals.

One man simply stated that he thought the judicial system was breaking down with "a lot of the hardened criminal types either not being prosecuted or getting off with an easy sentence and then getting back on the streets to strike again."

Other: Health and Social Services problems included a need for more and better child care with an extra effort directed at enforcing the present day care standards. Alcoholism, which was also detailed in question number two, was mentioned again in this open question. Drug abuse and control of drugs was discussed, mostly by older participants. Welfare abuses and a need for more vocational training programs to get people off the welfare rolls was also a recurring topic under this question.

Education, especially reforms in post-secondary education including the University of Alaska, was highlighted in a few questionnaires. The emphasis of education as a progressive system (as opposed to a human need for a construction issue) was voiced by a few people at the Anchorage meetings.

About 50 people mentioned the capital move as an issue they thought should have been discussed at the Public Forum meetings. One man offered, "Wouldn't it be nice to sit down and talk to neighbors like this from the Peninsula and the Valley about what kind of a capital we all want to see here in Willow." Only Talkeetna voted unanimously to abort that move, claiming it threatens their desired

lifestyle.

Renewable resource concerns of timber, fishing, agriculture, herding, tourism and wildlife were spotlighted by a majority of the participants as was alternative energy resource development. For example, many people in Homer wanted to see a percentage of money made from non-renewable resources go to research efforts for other energy methods such as solar, tidal and wind energy.

Summary

SUMMARY

Alaska Public Forum participants were asked to come up with answers to seven questions on major state issues. They were provided with six questions chosen by the Governor, legislators, state officials, people throughout the state and ultimately, based on all these suggestions, the Alaska Growth Policy Council. (The Alaska Public Forum is a program of the Alaska Growth Policy Council, an eleven member citizen participation group set up by Governor Hammond.) Participants in the program then choose a seventh question - - an area of state concern that they with to discuss. All the questions (except 7) have a number of proposed choices, from which participants may choose an answer. They may also select "other" and provide their own answer.

What follows is a summary of question recommendations from the first half year of the Alaska Public Forum program in Southeast, the North and Southcentral. The information is based on the comments and suggestions recorded at meetings as well as the answers provided in the mail-in questionnaires. The base of background information and time spent on making each choice is different in each case and therefore it is strongly recommended that you consider both the meeting summaries and the questionnaire statistics before reaching any conclusions.

QUESTION 1

> "I know we're talking about more money than I can ever conceive of but if I get to put my two cents worth in regarding the investment of the state's two billion dollars, then no matter what gets done with it, I'll have the feeling it's more mine."
> (Anchorage)

The first question asks "How should the state use its new oil and gas money in the future?" Common to all three regions were the recommendations to promote renewable resource industries with the oil and gas revenues, and to save the money with Southeast and the North recommending community assistance efforts ahead of the suggestion to save.

SOUTHEAST	NORTH	SOUTHCENTRAL
USES OF THE OIL AND GAS REVENUES		INVESTMENT OF PERMANENT FUND AND USES OF REVENUES
1) Renewable Resources	1) Community grants and revenue sharing	1A
2) Community Development	2) Renewable Resources	1) Renewable Resources
a) loans	3) Save it	2) Save it
b) grants and revenue		1B
3) Save it and Tax cuts		1) Tax Cuts
		2) Renewable Resources

For the Southcentral region the question was divided into two parts because of some confusion in Southeast and the North over the role of the Permanent Fund in the original question as stated above. In Southcentral, question 1B is the question used for Southeast and the North--"How should the State use its new oil and gas money?" It is incorrect however, to compare the second part of question 1 in Southcentral with the question used in the first two regions despite the same wording because people in Anchorage and surrounding communities accurately viewed the answer to the second part of the question as surplus or extra monies. People in Southeast and the North were more reluctant to do so and provided answers which reflect a concern for investments and future security more in tune with solutions to Permanent Fund issues than surplus spending money.

Interestingly, whether people were specifically investing in the Permanent Fund, or using the new oil and gas wealth, there was across-the-board concern for the future of the "renewable resource industries" - fishing and agriculture in Southcentral with

tourism and combinations of the above spread throughout.

The option of using the new oil and gas money for "community revenue sharing and community grants" was the first choice of people in the North with "renewable resources" close behind. In Southeast, participants supported community assistance as their second choice although they were divided between using community revenue sharing and grants for this purpose or providing "loans to communities." In Southcentral, an area with far fewer isolated, rural communities this option which rated so high in the Southeast and the North fell to fourth position.

Southcentral chose instead, to "save" the Permanent Fund money and provide "tax cuts" with the new oil and gas wealth once the concern for renewable resources was met. Although "tax cuts" received a clear majority, largely as a result of Anchorage mail-in participants, most of the same people chose renewable resources as their first option for Permanent Fund investment and gave it second priority for uses of new oil and gas money. This would appear to give added weight to the renewable resource issue despite the high rating of "tax cuts".

Save it as an option for investment of the Permanent Fund question in Southcentral received a great deal of support. It was also selected as a third priority for using oil and gas money in both Southeast and the North, indicating statewide support.

QUESTION 2

"You can't get a job without a good education...and a lot of times if you don't have a job other things don't follow."
(Barrow)

The second question asked Public Forum participants "What areas of human need do you feel require the most attention? The responses to this were similar in all three regions. Both education and alcoholism appeared a priority in each region. Employment also ranked among the top three choices in Southeast and Southcentral but was replaced by health care in the North.

SOUTHEAST	NORTH	SOUTHCENTRAL
HUMAN NEEDS 2		
1) Education	1) Education	1) Employment
2) Employment	2) Alcoholism	2) Education
3) Alcoholism	3) Health	3) Alcoholism

Education received the highest ranking in Southeast and the North and generally younger people were more concerned about education than older participants in the Public Forum. Employment ranked first in Southcentral.

There as well as Southeast, it was usually chosen by participants in the occupational categories of white collar and blue collar workers and those not in the labor force, but not as often by professional-technical people.

Alcoholism sparked the most discussion and comment. It ranked very high among people's top choices in both meetings and questionnaire tabulations, although when it was averaged with all seven human needs, its ranking fell. Perhaps the one consistent thought coming out of Public Forum meetings was the recommendation that a tax be placed on alcohol beverages to pay for the cost of rehabilitating alcoholics. A secondary suggestion encouraged local control and management of alcohol rehabilitation programs.

Health care was an important concern for people living in isolated communities in the North. There, lack of medical assistance in villages and extreme distances from hospitals and clinics, were repeatedly brought up as major concerns. Health was ranked fourth in Southeast and Southcentral.

The other human needs areas were generally the same throughout all three regions, with care of children, and programs for the elderly falling in behind the four issues mentioned above. In the North housing was high among people's needs and tied with employment as a fourth priority in that part of the state. It should be mentioned at this point that most of the choices for this question received very close ratings, perhaps supporting people's contention in meetings that it was difficult isolating one concern from another.

QUESTION 3

"Children are one resource we all will have to live with whether I chose to have them or not."
(Homer)

Question 3 asked: "How should public School construction be financed in both organized and unorganized boroughs?" Behind the question is the need to build a number of new schools throughout rural Alaska in the near future and the Public Forum answers try to get at the best method of financing this construction.

Initially, Southeast and Northern participants were presented with the option of financing school buildings through the General Fund. This option was later dropped in Southcentral and subsequent regions because it did not specify a method by which the General Fund will get the money to build schools.

SOUTHEAST	NORTH	SOUTHCENTRAL
3 Continue the Present System	100% funding from the General Fund	Continue the Present System

Both Southeast and Southcentral chose to continue the present system which provides for property taxes plus supplemental state funding in organized boroughs and 100% state funding in the unorganized borough. Interestingly enough, to continue this method places a heavier financial burden on organized boroughs such as those found throughout Southeast and Southcentral.

The North on the other hand chose to fund school construction from the General Fund. The North with the exception of the North Slope Borough, presently has their school buildings financed entirely by the state. Nonetheless, they chose to recommend that the state pay for not only their needs but the needs in organized boroughs (such as Southeast and Southcentral) as well.

In each region, the top choice was recommended by a 10 to 20 percent margin. Suggestions of other financing methods such as a statewide sales tax or an increase in the state income tax were generally received unfavorably.

QUESTION 4

"I'm asking the basic question, when am I and fellow people, fellow 'I's' going to get five acres to raise chickens and a garden on. We don't want a handout. We don't want to be subsidized. I'll buy it. When can I count on buying it?"

Ketchikan

Question 4 asked people "What should be the objectives for managing Alaska's land?" and in every region the responses were the same -- promote renewable resource development and manage the land to meet people's needs.

SOUTHEAST	NORTH	SOUTHCENTRAL
1) Renewable Resources	1) Renewable Resources	1) People's Needs*
2) Public Needs	2) Public Needs	2) Renewable Resources

*Language change a result of questionnaire revision.

In Southeast and the North, people supported the option of renewable resource development for land management as their first choice. In both regions, renewable resources were explained as the economic mainstay of the area and in the North a chief food source.

In Southcentral, while the need is not as great, except in the smaller communities outside of Anchorage, the people of that region gave renewable resources a strong second priority position.

Land for people's needs was a favorite topic in all three regions, particularly land poor Southeast, but it was Southcentral participants who ranked it as their first priority. In all areas, people generally spent a great deal of time discussing the need for more land for homesites at less expensive rates and with built-in safeguards against speculators.

In the North, the subject of people's needs was often interwoven with subsistence and renewable resource concerns as participants indicated that fish

and game resources were the people's needs. There was some support amongst the non-native population in the North for homesite land.

In Southeast and the North, there were recommendations to preserve the natural environment which was often written in as an "other" suggestion. In Southcentral, where it was listed as an option, natural environmental preservation ranked third behind people's needs and renewable resource development.

QUESTION 5

> "We need impact help now to move smoothly through some rough times ahead. We can't wait till Front Street in Nome becomes another Second Avenue in Fairbanks. And it will be just the same if we don't look ahead and get some help now."
>
> Nome

Question 5 asks Public Forum participants "What should be the state's policy on future oil and gas lease sales?" The response throughout all three regions was the same -- sell leases at a moderate rate to assure a steady flow of income for a long time.

SOUTHEAST	NORTH	SOUTHCENTRAL
Sell leases at a moderate rate	Sell leases at a moderate rate with safeguards	Sell leases at a constant pace*

*Language change a result of questionnaire revision.

Despite the large response to the option to lease at a moderate rate, participants from every region felt the need to tack on addendums to their answers. In almost every case, their attachments expressed concerns over environmental and community impact stemming from oil exploration activities. Participants urged state leaders to involve the local community in any leasing activities and train local people for petroleum-related jobs. Over and over again, people from commun-

ities in Southeast, the North and Southcentral recommended that monies be made available in advance of severe impact and that the lives of people, and the preservation of the state's fish, game and environmental resources be given priority over the revenues to be gained from leasing activities.

There was some sporatic support for the option to do no further leasing but not enough to make much of a dent in the majority opinion discussed above. Finally, participants thought the state should steer away from leasing only when it needed money which, people felt, could lead to panic selling.

QUESTION 6

> "It sounds enticing to us all to be really independent and produce our own products from our own resources, but if we become just another conduit for big oil production with little control or benefit, then we really won't accomplish much at all."
>
> Kenai

Question six asked "What is the best use of Alaska's royalty oil and gas?" The responses in the North and Southcentral proved similar -- use it to provide in-state residential use of royalty oil and gas. In Southeast, people recommended the state use it for financial gain.

SOUTHEAST	NORTH	SOUTHCENTRAL
Sell it for financial gain	Provide in-state residential use	Provide in-state residential use

In the two regions, the North and Southcentral, where there is a better likelihood that oil and gas royalties can be used for individual needs by residents, this option was the top priority. Southeasterners, however, because of their physical separation from the main body of the state often expressed the option that it would be too expensive to get the oil and gas to them and w ld make more sense

for the state to sell its royalties for financial gain instead. However, there was a good deal of secondary support throughout the region for using the oil and gas to meet individual needs within the state.

Many participants in all regions indicated a preference for several of the options such as the recurring suggestion to use what is needed in-state and then sell the rest.

There was also widespread concern over the inequities in the prices of oil within the state today and many participants, particularly in the North, suggested using the royalty oil and gas to equalize prices by subsidizing transportation or selling shares of the royalties throughout the state.

QUESTION 7

> "....What I'm trying to say is that it's my job to catch fish; I want to go on and do my job, but I also want to make sure someone isn't going to point a finger at me 20 years from now and say 'that guy was a fisherman and he used to catch lots of fish, but the fish are gone because he caught them all."
>
> Craig

Question 7 provided the opportunity for Alaska Public Forum participants to discuss subjects they wanted recognized as problem areas. The question asks: "What other state problems do you feel should be considered?" The one concern that all three regions shared in common was transportation. Beyond this, the focus in the different regions varied.

SOUTHEAST	NORTH	SOUTHCENTRAL
1) Transportation	1) Transportation	1) Government Efficiency
2) Fisheries (renewable resources)	2) Oil & Gas Exploration	2) Transportation
3) Alternate Energy Sources	3) Subsistence/Renewable Resources	3) State Growth

Transportation spanned all three regions as a major concern, but in each area the needs were different. In Sotheast, participants directed their criticism at the ferry system requesting that schedules and service be improved and that the Marine highway not be run as a profit-making venture but as any other highway system. Southeasterners voiced the secondary concern that air service schedules and airports maintenance throughout the region be improved.

These two areas were also the focus of transportation discussions in the North. Criticism was leveled at federal regulations which limit service in the North to one air carrier and complains of poor freight delivery seemed to head everyone's list. There was also concern over the poor maintenance of air fields in small communities which can isolate a village for weeks at a time.

Transportation in Southcentral was largely an issue of road improvement whether in front of people's homes or on major highways outside of the City of Anchorage. People also discussed transportation planning, the North Slope haul road, and the possibility of extending the existing highway system as secondary transportation problems.

In Southeast, people went on to discuss methods of rehabilitating the struggling fishing industry and developing hydroelectric power for the region.

In the North, Public Forum participants discussed their growing concern over oil and gas exploration impact in that area -- whether it was Norton Sound or the Beaufort Sea. Their concerns, while largely the same as those itemized in Question 5, were important enough for participants to repeat in this question.

Closely tied in with this were the reactions throughout the North that fish and game management be handled carefully and with local involvement to protect subsistence activities and renewable resource interests.

In Southcentral, participants in almost every area of that region decried the extravagant size of state government and its less than effective performance. There were concerns of people who didn't know where to turn for help and those who felt state government has become excessive in the services it provides. Tied into this theme was the concern over rapid state growth and the fact that too many people are arriving, ill-equipped to participate in Alaska's life and end up supported by the state.

There were many other concerns brought up in each region and for a more complete discussion, please see the section on Question 7. However, these appear to be the major problem areas voiced by Alaska Public Forum participants.

In this last section, we have attempted to capsulize the thoughts and recommendations of all the people who have participated in one way or another in the Alaska Public Forum in three regions of the state--Southeast, the North and Southcentral. If we suggested at the beginning of the report that some imaginative ideas might slip by for the sake of brevity, this is even more true for the summary of recommendations.

In an attempt to fit in a few more pieces before we end, we set forth some secondary concerns brought up by many of the Public Forum participants. Some of these suggestions may be existing programs or legislation. We repeat them nontheless because we heard them from the people of the state. Other concerns may be new and again, because we heard them, we thought you too might want to know.

A tax should be placed on alcoholic beverages to pay for the cost of rehabilitating alcoholics.

Provide land for homesiting with safeguards against speculators.

Review fish and game management patterns and include more local involvement on policy decisions from opening and closing of fishing seasons to caribou hunting permits.

Provide for Outer Continental Shelf impact assistance before the leases are finalized.

Establish means now of involving local communities in oil and gas exploration activities.

Provide job training for employment on oil and gas exploration projects.

Provide an emergency fund for oil spills and have it available before the spill so that it may be put to use immediately if needed.

Take steps to improve government sensitivity and outreach to rural areas of the state.

Improve transportation:
1) the ferry system in Southeast
2) air service and airport maintenance in the North
3) road improvements and upgrading in Southcentral and wherever roads exist

Encourage local involvement both financially and educationally in schools around the state and move toward equal educational opportunities for all areas.

Develop hydroelectric power for Southeast and reassess the Devils Canyon Dam project in Southcentral.

EVALUATION

All participants at regional workshops were asked to respond to a series of questions about the Alaska Public Forum. The following evaluation form was used:

1) Was the workshop beneficial to you? _____Yes _____No.
   If so, in what way?

2) How could the workshop be improved? What would you change about the workshop?

3) What did you expect from the workshop?

4) Were your expectations met? _____Yes _____No.

5) Was the discussion in your small group good? _____Yes _____No. Comments:

6) Did your opinions about the issues change as a result of the workshop?
   _____Yes _____No. If so, which ones?

7) How did you find out about the workshop? Newspaper_____Radio_____ Television____
   Personal invitation_____ Notified by an interested organization____ Other_____

8) Was the tabloid of any use to you? _____Yes _____No. Comments:

9) Does the tabloid give you enough information about the issues? _____Yes _____No.
   If not, what additional information could you use?

10) Any other comments?

The evaluation forms were designed to allow members of the Growth Policy Council and the staff to identify areas where the workshop could be improved. We would like to share some of the most representative comments with you.

Was the workshop beneficial to you? If so, in what way?

"It gave me a chance to evaluate Alaskan problems with many different points of view and draw from it. It was gratifying that people were able to speak and be listened to." (Ketchikan)

"Helped bring my ideas on the issues into focus." (Ketchikan)

"We'll see what comes out of it." (Kotzebue)

"Wonderful to have state government interested in both urban and rural Alaska and especially rural Alaska." (Kotzebue)

"Yes, the workshop gave me a lot of information that I normally would not have had. It gave me the opportunity to meet people I normally wouldn't have known." (Anchorage)

"It was a diversion, but I'm cynical enough to doubt that it will have any effect." (Anchorage)

"Being a student I have learned the reasoning that goes into the more conservative school of thought." (Anchorage)

"To know that the executive branch of the state government wants my opinions has been beneficial to me so that I feel important in the overall state decision making process." (Barrow)

"Education on fundamental issues in Alaska." (Barrow)

What did you expect from the workshop? and
Were your expectations met?

"More commitment from Governor that results will become reality. I did not expect, really, that the Governor would listen to the public and he has not done so (nor will he)." Ketchikan

"At worst--little." "Wait and see." (Kotzebue)

"Nothing. I was surprised. The Public Forum people really seem interested in our input." (Kotzebue)

"Unknown? But hoped we could influence the way our state is managed. Only time will tell?..." (Anchorage)

"Yes and even more so. It was exciting to me that the Governor, Lt. Governor and representatives took the time to listen to each person's ideas, no matter how off-the-wall some seemed to be, and then to respond. I have left the workshop with a renewed interest in doing something personally to see that the State is wisely led through the growth and changes it is going through, and even more important, the feeling that I can help and do count as an individual in terms of State policy." (Anchorage)

"Unknown. I had no information other than the date and time and place prior to the meeting. That depends on whether my opinions will be incorporated into the plan." (Barrow)

10) Other comments.

"It will be interesting to see what effect, if any, these workshops have on governmental policies. Would it be possible to have same people on follow-up next year to evaluate year's progress and do another projection?" (Ketchikan)

"Forum must be ongoing with follow-up. If there is government implementation of forum recommendations then the public will be more encouraged and utilize forum more: A self reinforcing process of education-input-action. Good out of town attendance - keep it up." (Ketchikan)

"I think this is an excellent idea and I was happy to have participated. State government is often unresponsive to ordinary people and this is a step in the right direction. I hope it has direct results in state policy." (Kotzebue)

"Come again from time-to-time." (Kotzebue)

"Well run workshop. Please listen to our recommendations or we will vote you out of office." (Anchorage)

"Sunday morning is a busy time to hold the wrap up session for those of us who have a basic religious conviction we wish to honor." (Anchorage)

"You need to show people their participation is to be used if you expect to motivate people to participate." (Anchorage)

"I thought the choices presented were too narrow - Do you want to die by fire or drowning, etc. For instance, who will fund, not who will control or what kinds of lands, not whether we want state controlled lands at all." (Barrow)

"For a place like Barrow, so distant physically from centers of government and financial power; such a forum is a great way to exchange information on public issues. The question is, will policy makers remember to act on what they have heard. . . ." (Barrow)

APPENDIX
QUESTION CHANGES

QUESTION 1

Question 1 experienced the greatest change between the first and second printing of the newspaper. Originally the question asked: "How should the state use its new oil and gas money in the future?" This proved to be too open-ended and respondents were unsure whether the question included Permanent Fund monies or simply the surplus oil and gas wealth. Therefore, the issue was broken out into a two part question for the xecond newspaper. It now reads: 1A "How should the Permanent Fund money be invested? and 1B "How should the State use its new oil and gas money? (All revenues except those invested in the Permanent Fund)." It was hoped that by discussing the permanent fund directly, the confusion would be eliminated.

Additionally, in the first printing of the newspaper, the boxes in which participants indicated their recommendations were slightly out of alignment. Because of this, question one was recoded for the Southeast and Northern regions to verify the percentages. On this second run, only the top priority was coded. Whenever a potentially ambiguous code was found, responses to Questions #2-7 were read and a response consistent with the total questionnaire was chosen. For example, if Question #1 could have been either industrial development or renewable resources, responses to Question #4 and Question #5 and Question #7 usually pointed to a meaningful choice for Question #1. The tabulated responses to Questions #4 and #5 measured against Question #1 further supported this check.

QUESTION 1
New Newspaper

QUESTION 1
Old Newspaper

QUESTION 2

This question in the first newspaper asked people to prioritize nine areas of human needs and rate the effectiveness of the state's service. It seems significant that people repeatedly informed us that they didn't have enough information to make the program evaluation so the latter portion, part (b), was dropped in the second printing. Therefore, in the following discussion, we will deal only with part (a) to achieve consistency.

Similarly, two items, rehabilitation and income maintenance were dropped in the second newspaper questionnaire because the terms were confusing.

QUESTION 2 Southeast and North version

QUESTION 2 Southcentral version

QUESTION 3

Question 3 experienced a major change as well. One option -"100% state funding from the General Fund" was dropped in the revised newspaper because it did not answer the question of how the General Fund would get the additional money to fund school construction. Unlike the other options this one provides no source of revenue to cover building costs.

When the question was revised the option to increase the state income tax was included in place of the above alternative.

QUESTION 3
Old Newspaper

QUESTION 3
New Newspaper

QUESTION 4

The revised newspaper added a fifth option to the question on land - - "To preserve the natural environment." It also changed the second option from "public needs" to "people's needs." The other answers remain unchanged.

QUESTION 4
Old Newspaper

QUESTION 4
New Newspaper

QUESTION 5

This question experienced several word changes. Based on participants dissatisfaction with the words "moderate rate" in option b, they were replaced by the words "constant pace". Subsequent use of the newspaper indicates that now people often cross out the word "constant" and pencil in the word "moderate".

QUESTION 5
Old Newspaper

QUESTION 5
New Newspaper

QUESTION 6

This question did not change from the first to the second printing.

QUESTION 6

QUESTION 7

Question #7 has been included in the Public Forum agenda so that people may discuss what the state is or is not doing that concerns them personally, locally, or regionally as the participant chooses. In regional meetings, Question 7 usually consists of three of four concerns selected by the participants as a group dealing with subjects above and beyond those discussed in Questions #1-6.

The tabulated questionnaire, however, seems to indicate that people responding alone often chose to use the space to reinforce their thoughts on something in Questions #1-6, rather than to list new concerns. This could explain the wide range of responses to Question #7 when filled in on the questionnaire. In meetings, this part of the agenda usually includes no more than three or four issues and they are "new" concerns.

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REP. LEO SCHAEFFER
REP. RICK URION

House of Representatives

August 8, 1977

To all Committee members

Dear

Committee members, working with representatives of the Alaska Public Forum, have drafted the enclosed questions on the Permanent Fund. The questions are intended for use by the Forum during its program of public meetings and information gathering.

I would appreciate any comments on or changes in these questions that you may have before these questions are made final and included in the Forum's questionnaire.

Sincerely,

Mike Doogan
Administrative Assistant

Enclosure

PERMANENT FUND GOALS QUESTION

In order to refine last year's Public Forum results regarding the use of Permanent Fund money, please indicate the area you would like to see emphasized for investment of <u>part</u> of the Permanent Fund.

1. Inside the state:

   A. Fisheries

   B. Alternative energy development

      _____ large scale (industrial)

      _____ small scale (residential)

   C. Agriculture

   D. Mineral extraction

   E. Tourism

   F. Timber

   G. Other industry

2. Outside the state

Now that you have indicated your preferred area, please tell us why you chose this area.

1. It would create more jobs.

2. It would give me an opportunity to make more money.

3. It would give the state the best return to be used to help pay for the operation of government.

4. It would <u>not</u> encourage more people to come to Alaska.

5. It would <u>not</u> harm the environment.

6. It would increase the availability of Alaska resources for in-state use.

7. It would promote more Alaskan ownership and control of business.

8. It would <u>not</u> encourage government to compete with business.

9. Other _____.

PERMANENT FUND CONTROL QUESTION

In order to assist the legislature in creating a Permanent Fund structure responsive to your wishes, please indicate the Permanent Fund organization you prefer. For this question you should know the policy board would set broad guidelines for investment of Permanent Fund money but would not make specific investment decisions.

1. A board appointed by the governor and serving at his pleasure.
2. A board appointed by the governor for a specified length of service.
3. A board appointed by the governor and confirmed by the legislature.
4. A board chosen from various segments of the political spectrum (an example would be two members from the administration, two from the legislature, three from the general public).
5. A board directly elected by the public.
6. Other _____.

Now that you have indicated your preference, please tell us why you chose it.

1. I trust the governor to choose wisely.
2. I trust the legislature to choose wisely.
3. I trust the governor and legislature working together to choose wisely.
4. I want broad representation.
5. I think direct representation of political interests is good.
6. I want maximum opportunity to choose the board.
7. I want the board insulated from politics.
8. Other _____.