

SB

125

CITY OF SOLDOTNA

Resolution 77-7

SB 125

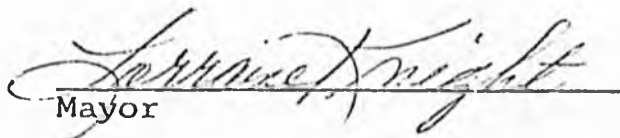
WHEREAS, the cost of conducting a runoff election represents a significant burden on municipalities, and

WHEREAS, the candidate who received the largest number of votes in the first election has almost invariably been the winner in the runoff elections, therefore be it

RESOLVED, by the City Council of Soldotna, Alaska, that it be recommended that HB9 and SB125 be enacted into law, and be it further

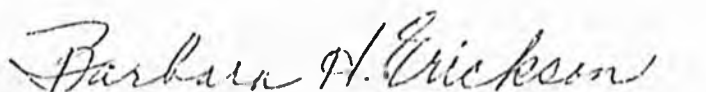
RESOLVED, by the City Council of Soldotna, Alaska, that it be recommended that SB126 not be enacted into law.

Adopted this 17th day of February, 1977.



Mayor

ATTEST:



City Clerk



Alaska Conservation Society

Incorporated in 1960

P.O. Box 80192

College Branch, Fairbanks, Alaska 99708

March 18, 1978

Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Hucksters from Alaska Petrochemical Company made their pitch in Fairbanks this past Thursday. They would have us believe a number of interesting things.

For one, they tried to explain why new refineries around the world are being built farther and farther from the traditional refining centers close to markets. "The reason is that more and more of the underdeveloped producing countries want to gain the value added by processing the crude oil at home," they said. "That's awfully nice of the companies to agree to do so," I thought. Then it came out that people who live in refining regions have had enough. The West Coast is so hostile to new refineries that firms don't even want to try to expand there despite projections that the West Coast glut will turn to a shortage in five to ten years. AlPetCo would have us believe that 30 million West Coast folks are foolish and that we can really put one over on them by approving the royalty oil contract fast.

For another, they did a fascinating dance on the question of employment. They wanted desperately to tell businessmen and the out-of-work boomers that a nice peak in construction employment would be followed by non-cycling refinery employment and a build up of satellite chemical plants, and that the multiplier effect (the economist's version of loaves and fishes) would cap everything with a juicy service-sector job picture. On the other hand they know a lot of Alaskans are none too happy with the idea of making room for 15-20,000 more people for one project-swarm, so they tried to say that

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petrochemical industries are neat because it takes hardly anyone to push those little computer buttons. Somebody had better start giving some full and straight answers. Especially with the Governor saying that right now every newcomer costs twice as much in government services as he or she pays in taxes. And especially since the much-touted local hire provisions merely mean - at best - that a Texan has to wait a month before becoming a local hire.

Then there was the question how long AlPetCo expected to be around and where they would get their oil. Prudhoe Bay is supposed to last another 25 years or so. Production will peak in ten years or so, however, at about 200,000 barrels of royalty oil per day. AlPetCo can only get 85 per cent of the royalty amount, and it won't start using the oil until the field is 20 percent exhausted. Where else will it get oil? Not Pet 4 (NPRA). Not upper Cook Inlet, which is already on the decline. Are they staking everything on the unoffered leases in the unexplored Beaufort Sea?

And suppose they do get 150,000 barrels a day for 20 to 30 years? Suppose natural gas liquids, coal, and other goodies can be put together on our only - somewhat - crowded Kenai Peninsula to build a world scale everything complex? It sounds like building sand-castles in the top half of an hourglass. What will our children have left besides bills for empty schools and dirty rivers?


The problem with the royalty oil contract is that everybody is looking at the fine print.

We hope that as an Alaskan representing Alaskans you can look first at the screaming headlines: Is the petrochemical industry really what the North is all about?

It isn't as though we were going to be poor if we just took the royalty in value.

Sincerely yours,

ALASKA CONSERVATION SOCIETY

for 
Robert B. Weeden
President

RBW/ts