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LEGISLATIVE COUNCIL, STATE OF ALASKA

Conference on Alaska's Future Frontiers

Thursday, December 6, 1979

Sheraton Anchorage Hotel

Anchorage, Alaska

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Reported by: Laurel G. Barefield

CSR 3592

ALPHA GROUP PROCEEDINGS

(December 6, 1979, 10:00 a.m.)

Room 311

MR. KOCSIS: You can start, sir. We're just identifying ourselves.

MR. BRADLEY: My name is Bob Bradley. I'm the husband of Marsha Bradley.

MRS. BRADLEY: I'm Marcia Bradley. I was born and raised in Sitka, and I've lived in Anchorage since approximately 1968.

MR. BRAMSTEDT: Al Bramstedt. I'm President of Midnight Sun Broadcasters.

MS. PLOTNICK: I'm Rocky Plotnick. I was born in Anchorage, and I've been working for the legislature as an Administrative Assistant for the last three years.

MR. BORODKIN: I'm John Borodkin. I'm from Cordova and a commercial fisherman.

MR. PARKER: Walt Parker. I wrote the papers on Air Transportation and Communications, and I was asked to sit with the two groups that are working on Direct Services while you concern yourselves with those two matters particularly.

MR. BLODGETT: For the record, I am Bob Blodgett of Teller, Alaska, and I'm a small businessman. My family and

1 I own a bush conglomerate, the Teller Commercial Company, a
2 general merchandise store operation, Teller Power Company,
3 a power-light operation, and Mukluk Telephone Company, an
4 independent telephone company in the bush.

5 MS. ANASOGAK: My name is Georgianne Anasogak. I'm
6 employed by the Norton Sound Health Corporation, and I work
7 as a Community Health Aide, and I come from Akhoik, Alaska.

8 MR. ALEXIE: I'm Nels Alexie. I'm from Kuskokwim
9 Community College, small engine instructor, also commercial
10 fisherman.

11 MR. BOWDOIN: I'm Stuart Bowdoin, Bristol Bay Borough
12 manager.

13 MR. BROWNE: My name is Stuart Browne. I'm chief of
14 telecommunications Planning with the State of Alaska,
15 Department of Transportation/Public Facilities.

16 MR. HICKEY: I'm Mark Hickey. I'm also with DOT as a
17 planner and planning with the D-2 legislation.

18 MR. DAHL: My name is Thomas Dahl. I'm an attorney
19 here in Anchorage. I was a delegate at the '69 conference.

20 MR. FISHER: My name is Jim Fisher. I'm with the US
21 Department of Agriculture. Prior to that I was in private
22 practice for two years, and I was a delegate in 1959 from
23 Kenai at that time.

24 MR. ACKERMAN: Gary Ackerman, Fairbanks. I live in --
25 am a resident of Fairbanks for 33 years and Board member of

1 the State Boundary Commission. I currently serve on
2 Planning and Zoning, and I'm a pipefitter.

3 MR. SEARS: I'm Dave Sears. I'm with Bright Research
4 Group, FIPA. And I'm just taking notes for George Monson.

5 MR. JACOBSON: I'm Richard Jacobson. I live in
6 Anchorage, and I'm a laboratory research person here.

7 MS. BURNETT: Ruth Burnett. City of Fairbanks. I'm
8 here at the request of Dr. Wood, the Mayor of Fairbanks,
9 who could not attend.

10 MS. BULLOCK: I'm Edith Bullock, former delegate to
11 the Brookings Institute meeting in '69, former legislator.
12 I'm now retired and living in Anchorage after living 31
13 years in Kotzebue.

14 MR. STUMP: I'm Keith Stump. I'm born and raised,
15 resident of Ketchikan, Alaska. I am here at the request of
16 Don Bell. I'm a communications consultant and freelance
17 photographer, various -- cinematographer, other
18 communications services.

19 MS. BENNETT: My name is Jill Bennett. I'm from
20 Fairbanks. I am a small business person. I have a store
21 in Fairbanks, and I teach part time at the community
22 college there.

23 MR. OSTROSKY: I'm Hank Ostrosky, citizen of Alaska,
24 and I do commercial fishing.

25 MR. ANGASAN: I'm Ted Angasan. I work as Executive

1 Director of the Bristol Bay Native Association.

2 (Discussion off the record.)

3 MR. BRADLEY: The name is Bob Bradley. To start a
4 journey you've got to take the first step, so I -- as an
5 elemental way of beginning I'd just use the format that's
6 been presented and go over those various points:
7 Government, Education, Transportation, Law, Justice and
8 communications. Hopefully, out of that the various pros
9 and cons of the various issues can be bantered about and
10 philosophies can be stated. The role of the government and
11 the role of -- as an example, speaking to the gentleman's
12 concern for education, there is the question of private
13 education at the higher level. There's no question of
14 private education by the churches. At least in the
15 Anchorage area it's quite an issue for elementary and
16 secondary education. These things can be handled. But if
17 we -- it appears to me, Madam Chairman, with the time
18 restraints put upon you in this group, if there's too much
19 soul searching over philosophy and the deep meaning of life
20 that we -- this group, Madam Chairman, may very well miss
21 its mark.

22 THE MODERATOR: Yes.

23 MR. DAHL: Madam Chairman. Tom Dahl from Anchorage.
24 The issue that has not been addressed -- one of the issues,
25 perhaps, that's not been addressed in the Direct Services

1 area is our responsibility to children that are, in fact,
2 the responsibility of the State because the State has
3 adopted or has taken that responsibility as parent. These
4 are Direct Services that are presently given to the State
5 in an -- provided by the State in an unsatisfactory way,
6 and I hope that we can address that as a responsibility
7 that we have and that we can determine something of our
8 future.

9 THE MODERATOR: Yes, I think that that would come -- I
10 appreciate what you said, Bob, and I think that if you'll
11 all turn to that page where you have Direct Services
12 outlined here can perhaps follow that format. And I would
13 hope that we can get into all these different questions
14 that you bring forth.

15 Now, it's eleven o'clock.

16 MR. KOCSIS: It's eleven o'clock, and one of the
17 things that will perhaps focus your attention -- or however
18 you want to come up with it -- Victor Fischer is here, and
19 he's going to be passing out a questionnaire that we would
20 like you to respond to. We should have the questions this
21 afternoon, but as the conference goes on we should begin to
22 report to you some of the attitudes and some of the things
23 going on in Alaska, some of these issues. I'm going to let
24 Victor talk to you about that. Let me say this: After
25 you're done with this questionnaire you can break for lunch.

1 Talk during the lunch hour, think whatever is necessary.
2 When you come back at 2 be prepared at that point to devise
3 your agenda and get going on Direct Services. If that's
4 agreeable. This is Victor Fischer, and he'll tell you
5 about the questionnaire. Look at it with that in mind,
6 however. This would help you formulate.

7 MR. FISCHER: Madam Chairman, this questionnaire --
8 excuse me. How about handing this out. (Indicating.)

9 MR. KOCSIS: Yes.

10 MR. FISCHER: This questionnaire is to be filled out
11 by delegates only, so you give this to delegates only.

12 The questionnaire has been drawn on the basis of
13 the various papers that each of you has received. And the
14 questionnaire may be somewhat difficult to respond to if
15 you've not read all of the papers. The instructions are
16 that if you can't follow the question, just go ahead and
17 leave it blank and go on to the next question. This
18 questionnaire is to be self administered. Each of you
19 fills it out on your own, and it should take about 20
20 minutes, more or less, to fill out the questionnaire. The
21 data will be tabulated and should be available back
22 tomorrow for report back to the conference.

23 As you look at the questionnaire you will see
24 that from time to time the name of a writer from whom the
25 questionnaire was drawn is also mentioned. That is

1 strictly for reference.

2 In each of the cases please circle the
3 appropriate numbers for each question as you proceed
4 through the questionnaire. Where you are asked to rank
5 questions, 1 is always the lowest rank and 5 or 10 is
6 usually the highest rank. Then on a couple of specific
7 comments that I would like to have you look at: Question 5.

8 MR. OSTROSKY: Who prepared this, by the way?

9 MR. FISCHER: This was prepared by Mike Rowen and the
10 staff.

11 MR. OSTROSKY: I want nothing to do with this
12 questionnaire by Rowan. And I know psychographic analysis,
13 and I think this is --

14 MR. FISCHER: Well, this is -- Hank? That's your
15 privilege.

16 MR. OSTROSKY: Yes, that's my privilege. That's my
17 statement, too.

18 MR. FISCHER: That's your statement. But the thing is
19 this is so arranged by the convention staff, convention
20 planners. I am simply the barer of the questionnaire. I
21 personally have nothing to do with it.

22 But, anyway, Question 5 -- the response should be
23 on the bottom -- 1 should be, rather than "yes" or "no" --
24 1 should be "cooperative," and 2 should be "develop
25 independent plan."

1 On Question 50 it's a multiple choice. One of
2 the items refers to Alaska Resources, Inc. and M. Bradman,
3 parentheses. A quick reference for your interest. In case
4 you haven't read his paper, the reference description of
5 what it refers to is on Page F 7 of the -- there's a yellow
6 cover -- buff-colored compilation.

7 Question 72 on transportation: The
8 intercommunity roads means roads between communities. And
9 Question 74: Intracommunity roads is roads within
10 communities. The questions look so much alike a number of
11 people thought they were asking the same. But the first
12 one is between, the second one is within communities.

13 Some questions ask for an open, volunteered
14 remark, but feel free to write in anything you want on any
15 question. Please make a clear mark on the questionnaire so
16 we could code and process them simply and rapidly. Okay.
17 These questionnaires will be checked as soon as you've
18 completed them. Thank you. Are there any questions about
19 it?

20 MS. BENNETT: Yes. It seems to me that these are the
21 issues that we're supposed to be discussing. I don't
22 understand giving "yes" or "no" answers before we begin.

23 MR. FISCHER: Okay. This was apparently developed on
24 the basis of the papers, and part of the idea behind them
25 is to see sort of what you're coming in with because then

1 the discussions themselves and results will be transcribed
2 and will be available. I have had the same reaction, and
3 my suggestion to Mike is going to be to possibly administer
4 the same questionnaire at the end of the conference and if
5 for no other reason than to see what kind of changes in
6 values have been effected. Again, Rob, do you want to
7 comment why this is being done now?

8 MR. KOCSIS: Yes. We felt one of the things -- we
9 don't know what the background of this group is, what are
10 your feelings, what you really know about any of these
11 questions. This is an attempt to elicit that response, and
12 he's quite correct. We hope at the end to be able to do
13 the same kind of a thing to see if there's been any shift
14 in your reaction to these areas, see whether you've
15 maintained a consistent approach to them. Just some kind
16 of an idea. This whole conference is some way of
17 indicating to the legislature where the people of Alaska
18 are really coming from on these issues. This is the first
19 step. Where you are now, what you think about these issues.
20 If you've read the papers, these questions tie in to those
21 papers. If you haven't, it's still relevant. It's just so
22 that the staff -- so you yourself, when you get these
23 results back -- will be able to see where you stood at the
24 beginning of the conference, and then again we'll do the
25 something at the end. You'll be able to compare those two

1 things.

2 THE MODERATOR: I would like to ask a question. How
3 many of you received your yellow-back book in time to read
4 everything that was in there?

5 (No response.)

6 I don't think any of us have. So it seems to me
7 that this is really not too relevant if we haven't been
8 able to -- I know that I myself have read maybe two
9 articles.

10 MR. KOCSIS: It's not a test in a school sense of a
11 thing. It keys into it. You're not expected to give the
12 right answer. There are no right answers. If you haven't
13 read the book, it won't be as meaningful as far as the
14 relationship between the book and these questions. But the
15 questions, we hope, will still be meaningful, and what
16 we're able to do when we check against your position now as
17 opposed to the end is to show you as well as us what's
18 going on, what kind of dynamics can be developed in a group.

19 MR. FISCHER: Excuse me. I read the questionnaire
20 this morning and, with the exception of maybe two or three
21 questions that refer to specific material, I had no problem
22 whatsoever in mentally responding to each of the questions
23 because I have certain values, and this is really what it
24 asks for, is my opinions.

25 MR. FISHER: Jim Fisher. I had an opportunity to have

1 this for approximately a week. I got it -- encountered it --
2 the yellow book -- in Juneau, so I had a chance, and I
3 didn't get it read either. But those articles that I did
4 read were as much review of what I had observed as they
5 were new. And I think that substantially you can operate
6 on the basis of your own experience, and I think that's why,
7 you know -- that's why, for example, you and I were
8 selected. I think they're just more looking at our present
9 experience regardless of what we get out of the literature.

10 THE MODERATOR: Did you wish to say something?

11 MR. BORODKIN: Yes. This is just for cross reference
12 to the outcome of the conference, what we come out of this
13 conference with? You'll use this for cross reference? Is
14 that it?

15 MR. OSTROSKY: Uh-huh.

16 MR. KOCSIS: Yes. One of the problems with the last
17 Brookings conference was we did not follow u on the
18 recommendations of that committee enough. We didn't until
19 this year go back and begin to try to correlate legislative
20 response with those recommendations. What we're trying to
21 do through instruments like this is set up a situation with
22 the computer technology this state has. We can put your
23 recommendations into a computer, and every time the
24 legislature implements or passes legislation responsive to
25 one of the recommendations that these groups will make we

1 can check that and we could know on a daily basis, if we
2 want. So that as you go down you'll know whether these
3 recommendations mean anything. You'll know whether this
4 conference is relevant or not because you'll be able to
5 pull out that information. That's why we're asking you to
6 fill it out now. This is the beginning of a basis of an
7 information system that is available to all Alaskans as to
8 where you think Alaska is and where you think it ought to
9 be going.

10 MR. FISCHER: Thank you.

11 MR. OSTROSKY: Mrs. Chairman, Hank Ostrosky. Mr.
12 Bradley came up and said, "Well, we have to take the first
13 step." We first -- before we have to take a first step, if
14 you're looking into the future, we have to know what
15 direction we're going to go --

16 MR. KOCSIS: Hank, excuse me. And I -- can we just
17 let them fill out these questionnaires before we make
18 another statement? Forgive me if I'm interrupting.

19 MR. OSTROSKY: Yeah, you're interrupting.

20 THE MODERATOR: I think everybody is busy with the
21 questionnaires. Could you wait a while for that?

22 MR. OSTROSKY: Well, I think this psychographic
23 polling is going on and --

24 MR. FISHER: Madam Chairman, I don't think the speaker
25 is a delegate.

1 MR. OSTROSKY: No, I'm a citizen. I was invited, and
2 I can see why.

3 MR. BLODGETT: Madam Chairman?

4 THE MODERATOR: Yes.

5 MR. BLODGETT: I feel I'd like to have an opportunity
6 to hear this gentleman a little later by all means. His
7 input could be very beneficial. But at this time I'd like
8 to concentrate on this questionnaire.

9 THE MODERATOR: Concentrate on the questionnaire.

10 I have to bring up a question right now, that I
11 will not be here this afternoon, so you will have to have
12 someone else to handle your meeting this afternoon. I
13 warned you.

14 (A recess was taken.)

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(Afternoon session)

THE MODERATOR: It's ten after 3. The reporter needs to break -- or ten after 2. She needs to break at 3 to change her tape. With the viewpoint of proceeding in an orderly fashion I'd like to set down a ground rule. We'll have input first from the delegates. Then the democratic process should prevail in that interested Alaskans that have taken their time and energy to come here should be heard from. I feel that's only fair. We're all in it together, whether we're delegates or not.

In the area of education, therefore, I would like at this time to have an opportunity to hear from our Commissioner of Education, Marshall Lind, for his input, if I may.

MR. LIND: Thank you, Mr. Chairman. I'm pleased to be able to sit in on this particular group. I hope that you've had an opportunity to read the paper coauthored by Marilou Madden and myself. I apologize for the length but, quite, frankly there have been some things happened in education over the past ten years and we've had a very difficult time keeping it fairly short.

I think that as we have gone back to look at the recommendations that emanated 10 years ago we have tried to trace each of those as far as what progress has been made during that period of time. We have also tried to

1 highlight seven or eight areas that we feel need a great he
2 deal thought and consideration as we look toward the future.
3 Some of those areas are the same ones we had ten years ago.
4 The very first one speaks about the Bureau of Indian
5 Affairs school. Considerable progress has been made as far
6 as the bureau schools to the public school system, but it's
7 the same issue we were talking about ten years ago. Also
8 the need for looking very carefully and closely at
9 expansion of our vocational and technical programs for
10 people all over the state. And there are a whole series of
11 things.

12 Mr. Chairman, I'd be happy to answer any
13 questions, if people have some, about the paper, just kind
14 of sit and listen and help you in any way that I can, if
15 that would be appropriate.

16 THE MODERATOR: Thank you. Is Al Bramstedt here? I
17 don't see him.

18 MRS. BRADLEY: No, he isn't.

19 THE MODERATOR: He is not present. As delegates I'd
20 like to have some input from each delegate around the table
21 from my right to the left, and then on the next topic I'll
22 go from the left to the right so no one would be slighted.
23 The next topic we'll come from the corner back and then
24 back this way, if I may. Please identify yourself for input
25 and your interest in this area.

1 MRS. BRADLEY: In the area of education?

2 THE MODERATOR: Yes. Please identify yourself and
3 speak up for the record. Okay.

4 MRS. BRADLEY: Okay. I'm Marcia Bradley. I am an
5 Alaskan native and I was born and raised in Sitka, and I
6 have taught in Kodiak and in Anchorage. I have two
7 children, one now who is in school, and so I'm concerned
8 about what is in the future for our children.

9 And in reading through the article by Marshall
10 Lind and Miss Madden I was particularly interested in the
11 free schooling through two years of post-high school
12 education and the availability of the subsidies to students
13 who demonstrate competence. Because I think the point that
14 was made this morning about so many of the students going
15 outside to school instead of staying in Alaska -- I grew up
16 with a lot of kids who went outside for their education.
17 Not entirely because they thought they were going to get a
18 better education but because they had been here and for
19 them part of the education was in going outside to see what
20 else was available besides just Alaska. And I think that
21 they're -- I don't think that our education facilities are
22 really lacking as far as the potential. You know, I think
23 that the University of Alaska has a lot to offer. And I
24 personally don't begrudge anybody coming up from Florida or
25 from California or anywhere else that wants to come to

1 school here. I don't feel that we're supporting them
2 because their type of -- their reasons for wanting to come
3 here are basically the kind of reasons for other people
4 wanting to go elsewhere, kind of broadening. And you get a
5 lot out of -- people can't have a really broad scope if you
6 only live in one community and get all your education there.
7 You don't really see what it's like elsewhere and have a
8 harder time coping. So I have an interest in, you know,
9 that type of offering.

10 THE MODERATOR: Thank you, Mrs. Bradley.

11 Mr. Borodkin?

12 MR. BORODKIN: Yes, I think in the bush area and some
13 of the smaller communities the -- especially the high
14 school graduates once they graduate the service that's
15 available to them for further education is completely
16 unknown to a lot of the high school graduates. So,
17 therefore, I think that's why some of the students just
18 stop there. I wish there was some way that the services
19 that are available could be, you know, sent out to the bush
20 communities and some of the smaller communities. I'm sure
21 that the educators in those towns would make that kind of
22 information available.

23 THE MODERATOR: Thank you very much, Mr. Borodkin.
24 Mrs. Anasogak.

25 MS. ANASOGAK: I have -- I share a great deal of

1 interest in education and have been for a good many years
2 now. One of the things that I'm concerned about is in the
3 allocation of funds. It's the small schools -- I know when
4 you allocate funds you get X number of dollars per student,
5 and in the long run it's the small schools that get the
6 smaller amount of money. And in order to get the material
7 and not necessarily the quality of education -- but it
8 always comes down to the amount of dollars that the school
9 is allocated for. And it's the X amount of dollars that
10 the small schools receive, and that's what they have to
11 operate with.

12 And another area is the cultural change. I think
13 that is gradually becoming more toward -- whenever I start
14 to talk my ideas like to just come out, and then sometimes
15 they're not always in order, but what I was trying to get
16 across is that when I was going to school living in the
17 urban -- or in the bush area it was a completely different
18 change going into a bigger community to go to school
19 because my way of life when I was going to school was
20 completely different. And for me to go from one way of
21 life and then to another and then to try to go through your
22 education, per se, what you're required to do -- it was
23 just a little hard to cope with. And I would like to see
24 that change. And it has gradually changed, and I'm glad to
25 see that. And for the bilingual part I'm glad to see that,

1 at least in my community, we have the bilingual program
2 which helps to cross that gap between the cultures.

3 THE MODERATOR: Yes. Thank you.

4 MS. BROWN: Mr. Chairman, I'm a delegate, and I was
5 bypassed. I have a question from Mr. Lind. I'm Lynda
6 Brown from Anchorage.

7 THE MODERATOR: Yes, Lynda.

8 MS. BROWN: I don't have a great deal of information
9 bearing these issues. However, I know that the Malahooch
10 case, of course, had a substantial impact on rural
11 education, and I'm primarily interested in bush education.

12 Can you tell us a little bit about the effect on
13 your department's budget and the allocation of the funds,
14 how that was impacted as far as changes in your department
15 for the allocation of funds available and how much more
16 you've been able to get from the legislature for your
17 department and how this is going to work.

18 MR. LIND: Let me see if I can put it in as brief a
19 perspective as possible. The major impact on the Department
20 of Education as a result of establishing all of the
21 secondary schools throughout the State is fairly minimal.
22 We did not add additional State employees because of that
23 action. A lot of people probably don't believe that that's
24 the case. The reason for that is that money flows to the
25 school districts. It just passes through us as allocated

1 by the legislature given to the local school districts to
2 use as they see fit on a -- determined by the average daily
3 membership. The impact has to be taken into account. When
4 we look at the impact of the rural secondary schools we
5 must always look at the other alternatives that we have.
6 For many years we were putting millions of dollars into the
7 support of boarding home or dormatory programs. When the
8 high schools were established the rural area that funding,
9 of course, went way down. It's down now to a very small
10 amount. The foundation support money, which is the basic
11 source of money for instruction, has gone up to some extent.
12 However, we always had the instruction costs except in
13 those cases where we were sending youngsters out of the
14 state because the Bureau of Indian Affairs was then paying
15 the full tax for those kids.

16 Those youngsters that were in dormatory programs
17 in Bethel, Kodiak or Nome -- something has been toe
18 provided in the regional setting. So all we did was
19 relocated out to the local setting. And we also then
20 reduced the boarding home cost, but that money had to be
21 used for the higher operating costs of small schools.

22 So the major impact, as far as on State
23 Government -- additional people needed to do this really
24 was minimal. What the local school districts had to do was
25 add the additional employees to develop and operate those

1 programs. There is a substantial financial impact, but the
2 other thing that needs to be taken into account -- up until
3 the early '70s most of rural secondary education was
4 provided by the Federal Government. And a lot of
5 youngsters did not have the opportunity to go on to high
6 school until the State really got actively involved in
7 providing these programs. We know that they are expensive
8 programs. There's no question about it. We also know that
9 to put a youngster in a dormitory program or to look at the
10 costs of the Bureau of Indian Affairs is now faced with
11 with Mount Edgcomb -- that the costs aren't that high. So
12 we have to take all these things into -- I don't know if
13 I've answered your question sufficiently, but there are a
14 whole series that have to be looked at as you make
15 comparisons for costs of rural education.

16 MS. BROWN: I was primarily interested in -- I think
17 that the whole idea was that more rural students would be
18 educated in more village schools for that opportunity than
19 under the previous arrangement. And from what you said
20 that, apparently, is going to be so.

21 MR. LIND: Yes. No question about it. We also can
22 point to the fact that more rural youngsters are graduating
23 from high school, and that is an extremely important fact.
24 The drop-out rate for rural youngsters has decreased. We
25 still have a high drop-out rate in certain areas, but it

1 has decreased considerably than where it was ten, fifteen
2 years ago. Particularly 10 years ago.

3 MR. LIND: Thank you very much.

4 THE MODERATOR: Thank you. Thank you, Lynd.

5 Mr. Alexie?

6 MR. ALEXIE: Yes. I'm Nels Alexie from Bethel. I'm
7 from the Apokok area, but I moved up to Bethel. Since
8 we're on this education, people who are on my age -- we had
9 lack of education. We were -- we weren't fully educated
10 quite a ways back, like in 1950s and up to mid '60s. I
11 never did graduate from the grade school because of the
12 classroom speech. And then I jumped up to college. That's
13 the time when I was -- started bumping rocks, started
14 trying to get my college degree.

15 But today I thought that -- and I tell my kids
16 and the others that education is number one. Without any
17 education -- and ones that are listed here cannot be solved.
18 (Indicating the yellow book.) And I thought that education
19 out in the bush have increased to better education. I lost
20 one word that I thought might be correct.

21 But, anyway, our schools out in the bush are
22 different than the schools like in Anchorage and Fairbanks.
23 Even they're different than Bethel schools. That's why
24 this education that -- what we're having out in the village
25 is going up in the steps. And it is very important to find

1 the needs out in the bush and to help the teachers to teach
2 our children what they must know and what they can develop
3 from our environment. Because anything cannot be developed
4 without any education.

5 Right now I'm talking about education, but we can
6 still refer back to our own people, you know. Like the
7 white man education and native education; they can both
8 work together. Because our people have been educated in
9 our own education system. And you people came up and you
10 educate us in your way. Which is very important. Now, our
11 education has been dropped down a little bit, and the other
12 education is coming. And with your education we can build
13 many things and earn our living. The other education is
14 going down because of a lack of animals. Animals are going
15 down. And education should be presented to our people and
16 make it better, if we can do it better. And a lot of us
17 did not complete school because our schools weren't big
18 enough and we had no high schools out in the villages. I
19 think I can stop here.

20 THE MODERATOR: All right. Thank you very much, Mr.
21 Alexie.

22 Is Mr. Bowdoin here?

23 (No response.)

24 THE MODERATOR: Mr. Browne?

25 (No oral response.)

1 Mr. Hickey?

2 MR. HICKEY: I'm not a delegate, myself, and I --

3 THE MODERATOR: Thank you.

4 Mr. Dahl?

5 MR. DAHL: Yes, sir. Thank you, Mr. Chairman. I have
6 a couple of concerns. As we discuss the possibilities of
7 free higher education for two years, the concern that I
8 have is what that -- how that will impact private higher
9 education in the State. The University of Alaska budget is
10 approximately \$175 million. It's the highest single item
11 in the budget, most expensive single item in the State
12 budget. It translates to the most expensive education
13 anywhere, and it's important to consider cost effectiveness
14 even with an abundance of dollars. Just because we're rich
15 doesn't mean we can't be efficient and shouldn't be.

16 I think the private higher education gives an
17 important alternative to public education. It helps to
18 keep whole education in perspective. It helps as other
19 influences are present in a community. Those influences
20 that are providing services or institutions that are
21 providing services tend to be better.

22 So as an alternative to -- or as a means of
23 implementing the philosophy of providing two years of
24 higher education I hope that we would consider that two
25 years of private education should be granted not to an

1 institution but to a student. And there are ways to do
2 that.

3 Some years ago -- I don't know that the program
4 is still in effect. It may have been in the State because
5 now there are an abundance of teachers. The Federal
6 Government had a loan program where a student could take
7 out a federally insured loan of some kind for education,
8 and he would go to the school of his choice and become a
9 teacher. And if he served as a teacher for a certain
10 number of years, a portion of that loan was repaid through
11 his services. That seemed to be a very practical means of
12 getting teachers into the work force and also providing an
13 incentive to stay at it.

14 There may be some constitutional problems, and I
15 wonder if Commissioner Lind could comment on the present
16 status of tuition grants in this state. I know that the
17 tuition grant program as it originally was begun was, I
18 guess -- through an opinion of the Attorney General -- was
19 declared unconstitutional, and grants were not made on that
20 basis.

21 Is there a tuition grant program in this State
22 and, if so, how is it being --

23 MR. LIND: As you know, my responsibility is on the
24 line of elementary and secondary education, but I'll be
25 happy to try and answer part of your question.

1 We did have the tuition grant program up until
2 about three years ago, and it was determined that it was
3 not constitutional, the way to offset the higher cost of
4 private school tuition. So the students had to pay only
5 the same amount as it would a public institution. That is
6 no longer present.

7 Through the State scholarship loan program, which
8 is a fairly generous program, a very good program, there is
9 a provision whereby up to, I believe, 40 percent of the
10 loan will be forgiven, if the students return to Alaska
11 following the completion of the program. So in the sense
12 it's kind of patterned after the NDA loans that were
13 available for teachers and promoted at the time there was a
14 teacher shortage.

15 So that's kind of where we are at the present
16 time. No tuition equalization program available, but
17 approximately, I believe, \$11 million annually is going out
18 on the scholarship loan program administered by the post
19 secondary commission. Post-Secondary Education Commission.

20 MR. DAHL: Thank you. Mr. Chairman, one further
21 comment in conclusion.

22 THE MODERATOR: Thank you.

23 MR. DAHL: I would hope that our emphasis in providing
24 two years of education would be to provide that education
25 to the student and upgrade the level of education at the

1 University of Alaska in such a way that it might be
2 competitive and, what, a draw -- that it might have a draw
3 to students. But in doing so we not jeopardize the
4 importance and damage the effectiveness of private higher
5 education in this State. Thank you.

6 THE MODERATOR: Thank you very much, Mr. Dahl.

7 Mr. Fisher?

8 MR. FISHER: Mr. Chairman, I'm Jim Fisher, and I -- my
9 input have looked at the '69 outline, and I'm going to read
10 that -- what help it may be here of the three major
11 programs that I can read in the outline: "Education
12 programs of all institutions of learning in the State
13 including research and graduate schools facilities should
14 be equipped in material and staff so they contribute to the
15 education and training of students for tomorrow's world."

16 Ways should be found to assist Alaskan youths in
17 obtaining advanced training so that they may participate in
18 all aspects of academic and practical studies including
19 assistance to attend specialized schools not likely to be
20 established in the state, i.e. law and medicine. The state
21 should fund a major portion of education costs through
22 revenue sharing while leaving school control in local hands.

23 Rural education should be reconstructed in order
24 that native Alaskans as well as non-natives could be
25 equipped to choose the life-style of their seeking, a

1 situation which does not now exist.

2 Matters within the education priority and the
3 order of importance are: A, there should be regional
4 schools of boarding facilities so native children and
5 others in remote areas need not be sent out of the state
6 for schooling of the opportunity should remain for rural
7 children to attend urban schools through a program like the
8 present foster home arrangement; B, an agricultural
9 orientation program for new teachers to the State is a
10 significant need.

11 The teachers assigned to rural areas should
12 receive orientation in the culture of the area in which
13 they will teach just in instruction on how to run the
14 school through. Urban teachers should receive orientation
15 relevant to the native culture. There should be a
16 preschool training in all urban and rural schools. Special
17 kinds of education should be supported such as expanded
18 adult education upward-bound vocational training with
19 special reference to Alaskan industries, special education
20 problems centered particularly for rural Alaska and
21 encouragement to Alaskan natives to enter the teaching
22 profession.

23 "Other areas of importance include the use of
24 teaching tools such as satellite education television to
25 help bind the state together bilingual teaching aids to

1 instruct and assist teachers this native culture courses
2 designed to help students meet the identity crisis by
3 leaving home and entering a new environment and courses in
4 Alaska native district culture for al students."

5 That was one of the most concise of the summaries
6 of the 1969, and I leave that as my input, just the
7 recitation of that outline.

8 THE MODERATOR: Thank you very much, Mr. Fisher.

9 Mr. Ackerman?

10 MR. ACKERMAN: I'd like to expand on what the
11 gentleman over there said, I think, on kids getting out of
12 high school and not going on to something else because they
13 really didn't have direction when they were in high school.
14 I taught our training program -- that's plumbers and
15 pipefitters for a time, and we used to have a five-year
16 program which would teach basic math and basic science and
17 physics just so you get enough to where you could do the
18 trade. And it's -- when the kids go through high school
19 they have no idea what the requirements are to get into a
20 trade or a profession. They go all the way through.

21 When you start college traditionally they have
22 people from different fields come in and tell you what you
23 need to know to get into that particular field. And you
24 should be doing that in junior high school, is where we
25 should be doing it. And when they go through high school

1 they can get an education that will enable them to get into
2 a trade or profession. I think that's one of the major
3 defects all the way through our system, all through the
4 rural area.

5 THE MODERATOR: More intensive counselling? Is that --

6 MR. ACKERMAN: I think different trades people different
7 operates and professions should be brought into junior high.
8 And that's where they should start, and it should be an
9 ongoing thing in high school. You come out of high school
10 at least halfway prepared to get into a trade or profession.

11 THE MODERATOR: Thank you very much.

12 Mr. Sears?

13 MR. SEARS: I was going to mention the same thing he
14 was going to mention. I've always felt personally that the
15 brain is essentially very vain, that there's lot to be
16 learned from -- putting emphasis in education on developing
17 a trade. I've never found that to be -- I found that to be --
18 I'm not that far removed from public schools myself, and I
19 was never introduced to a trade. I was introduced to
20 English literature, and I didn't have much interest in
21 English literature at the time, and trigonometry. I've
22 spent an awful lot of my time working with physical labor
23 since then. I found that to be rewarding financially and
24 personally. But to this day there's still no programs
25 initiating the trades at lower levels in high school, ninth

1 grade and eighth grade. And I agree with Gary completely
2 on that. You should integrate the trades into the schools.
3 Schools essentially seem to be white collar oriented. Why
4 not introduce the trades to them, too.

5 THE MODERATOR: Thank you very much, Mr. Sears.

6 Mr. Jacobson?

7 MR. JACOBSON: Yes. I've spent a lot of years down
8 south in various schools, and the biggest hardship I've
9 found coming back up to Frontier Alaska is the lack of a
10 single bookstore equal to the half dozen or so that you'll
11 find in any downtown south with any reasonable size
12 university. And along the lines of education, if anything
13 could be done about that, whether a cooperative bookstore
14 is started at the universities or something that, you know --
15 a store located in a central location would be all right
16 because it's the kind of place you'd only have to visit two
17 or three, four times a year. It could be in Anchorage or
18 Fairbanks or Juneau or someplace. But to not have a single
19 bookstore within two time zones is -- that's ridiculous.
20 But as far as something to change, that might be something
21 right there.

22 THE MODERATOR: Thank you very much, Mr. Jacobson.

23 Mrs. Burnett?

24 MS. BURNETT: Yes. I'd like to ask the gentleman down
25 at the end of the table about the questions concerning the

1 free education. I think it would be a mistake. What Mr.
2 Merdes said this morning sounds very glorious but I think
3 there's kind of a California syndrome built into totally
4 state-supported education where you have students that
5 establish residency and hang around for years. And I don't
6 think we want to develop that in the State of Alaska.

7 I think the loan program is excellent, and we
8 feel a need, a financial need, so I think maybe we could
9 expend the forgiveness portion of the percentage of
10 forgiveness in possibly some other ways. I really feel
11 like education is an investment in the future, and I think
12 we should value that investment. And I think we should
13 teach our children the value of -- not only the monetary
14 value but the commitment, And the free lunch attitude is
15 something I don't think we want to perpetuate. It doesn't
16 exist. And if it does, it's only for a brief time.

17 Secondly, on the high school level, the counsel
18 is very inadequate as far as career counselling and
19 otherwise. It's -- I think our local schools recognize it.
20 I hope at this level we recognize it. Students are
21 fumbling and stumbling because of lack of understanding and
22 communication with -- as far as careers and knowing where
23 to go. They graduate from high school and say, "I don't
24 have the credits to go to college, but I didn't know it. I
25 didn't know what was required of me." And I think this is

1 a shame, but it's a reality. And I would certainly, you
2 know, welcome Mr. Lind's comments on that.

3 Also, a few years ago we had some movements here
4 in Anchorage and in Fairbanks also towards a year-round
5 school, and I'd be interested to know if you've done any
6 further research on that or information about that. Thank
7 you.

8 THE MODERATOR: Thank you very much.

9 Mrs. Burnett. Mrs. Bennett.

10 MS. BENNETT: I feel that the bush community colleges
11 are really an important part of the educational system.
12 And it seems to me that to get students to come from the
13 bush communities to Bethel or a larger town, which is the
14 only place that a further program is available beyond high
15 school, that we may need to offer incentives such as, you
16 called it, free lunch, you know, to really -- there has to
17 be something to compensate for having to leave once you've
18 gone through high school in a small town and haven't been
19 outside of it. I think the possibility of offering the
20 first two years free, particularly at the regional
21 community colleges, sounds good to me. I know that there
22 are a lot of problems more logical to do it everywhere than
23 to do it in just part of the system, but I think it would
24 be worth talking about.

25 I think that telecommunications are really

1 important to education. I thought that the sections in the
2 article were really interesting about the new systems and
3 how the old ones hadn't worked. And it seems like that's
4 something that has to be greatly expanded. It would be
5 nice if somebody in this group has more technical knowledge
6 on that kind of thing. I just don't think the concept is
7 really important.

8 One thing that concerned me in the article was
9 the mentioning of bringing the education down to age three.
10 And it was mentioned it was needed because day care was
11 needed for working parents. That didn't really appeal to
12 me. It seems to me the Head Start Program is doing a fair
13 job in the community and regional as far as a day care
14 assistance program, should take care of that function.

15 And I'd also be interested in your comments about
16 the possibility of having one governing board for all the
17 education institutions. I bet you have something to say
18 about that, elementary all the way through community
19 colleges?

20 MR. LIND: Do you want me to respond?

21 THE MODERATOR: Please do.

22 MR. LIND: If I may, there was an earlier question --
23 several people have touched on it I and you put your finger
24 on a very real problem on counseling. And I think the best
25 indicator that we have to know that there are some problems

1 in counselling is results of the senior survey that was
2 done this past year, has been done, actually, for the past
3 two years where we've surveyed all of the seniors
4 throughout the state, asked them certain things about the
5 high school program, one of which is how do they feel about
6 the instruction, counseling, what plans have they made for
7 additional high school -- after high school education,
8 whether trade school, technical or university. And they've
9 told us some very interesting things.

10 The main thing is they feel they need more help
11 with career decision making. And I think, you know, it's
12 telling us something about the area where we have probably
13 placed a lot of our emphasis as far as counseling in the
14 past. It probably also tells us a thing we need to look at
15 very carefully, making sure we do have well-prepared,
16 adequate counselors in a lot of our schools. I think this
17 is one of our major areas of concern.

18 In addition to that, that study revealed that
19 many of the youngsters in rural Alaska did not have a clear
20 idea as to where they wanted to go after high school,
21 whereas those youngsters coming from the urban areas had
22 pretty well clarified in their minds whether going on to a
23 university and, if so, where, or to some vocational
24 training Senator. And it was very clear about about how
25 they felt as far as skill centers are concerned, a great

1 the past few years.

2 The comment on telecommunications is a whole
3 different area. It's the area that we feel over the next
4 ten years has some of the greatest potential for enriching
5 and supplementing programs at the adult level as well as
6 the elementary and secondary level. The notion that people
7 have, of course, sometimes as you think about
8 telecommunications -- it's strictly TV. And as the article
9 I put together indicates, we're not talking just about TV.
10 We're talking about an electronic message system, we're
11 talking about computer assisted instruction and a lot of
12 different things that can be done, and we can handle the
13 video part of the TV part in some other way. But it has
14 great potential. I think it needs to be looked at very
15 carefully.

16 One of the issues that comes up when we talk
17 about a statewide delivery system -- will the State then be
18 in a position to control that of the content that would go
19 out on this system. And that's a real concern to people.
20 And I think that we need to look at that very carefully.
21 Where will the program determinations be made. And, of
22 course, it has been our position that they should be made
23 as close to the local level as possible and not on some
24 kind of a statewide mandate.

25 We've demonstrated that by not having a

1 statewide textbook adoption in this State and also not
2 having a state mandated curriculum as such. So, so far
3 we've been able to be allowed those decisions to be made
4 where they should be made, and I hope that that would
5 continue.

6 The other comment that you raised regarding
7 expanding the curriculum, either to the -- at the lower end
8 for younger children or for the 13th and 14th grades:
9 There is a bill in now that would do this in the
10 legislature on an experimental basis, on a pilot basis, to
11 expand the 13th and 14th grade as a part of the local high
12 school.

13 The issue was raised regarding the younger -- the
14 early childhood question only to pose it as a question and
15 tie in some of the other reasons why people probably should
16 be looking at because of some of the changes that we see as
17 far as the number of both spouses working, what is taking
18 place with child care centers and would there be some
19 change to look for a stronger educational component. I
20 don't think anybody's advocating in there that you take all
21 three-year-olds and have a concentrated program in trying
22 to make -- teach them to read. I don't think that's really
23 what is in this whole early childhood development area.
24 But it's only to -- here is an issue that needs to be
25 looked at. We recognize the importance of it for

1 exceptional children. And the legislature addressed it to
2 lower that age for support to exceptional youngsters. We
3 know that that's extremely important. We're saying now.
4 Are we at a point in time where we're looking at greater
5 state assistance for early childhood programs because some
6 funds which have basically funded Head Start are drying up?

7 THE MODERATOR: Thank you Mr. Commissioner.

8 Mr. Angasan?

9 MR. ANGASAN: My views are the same as everybody
10 else's in this room about career guidance. I think we
11 ought to start in grade schools where a student can take
12 the right courses in high school and continue on with what
13 field he wants. That's about all I have to say.

14 THE MODERATOR: Thank you.

15 MR. SEARS: Mr. Chairman?

16 THE MODERATOR: Miss Plotnick.

17 MS. PLOTNICK: Well, one of my concerns, coming from --
18 I'm a product of Alaskan schools all the way from grade
19 school to college, and one of my concerns now is in the
20 field of health education. No one's mentioned it yet, but
21 having been educated in Alaska and having done some
22 substitute teaching in Alaska I'm seeing a serious lack in
23 the field -- or the area of health education. And by that
24 I mean preventative kind of information. I mean facts
25 regarding VD, when you look at Alaska's venereal disease

1 rates. They're exorbitant. I don't mean any kind of
2 morals but facts. I mean more information in terms of
3 alcohol and/or drugs. When you look at those statistics.
4 I don't think that it's a school place to say what's right
5 or wrong, but I am seriously concerned about the
6 information? The people I talked to who are very unaware
7 of some of the consequences, when I think of nutrition, the
8 kind of food people eat and how it affects them. I think
9 that's serious. And people don't understand. "Oh, well,
10 my child's got an earache." You know, big deal. I think
11 that these are long-term effects, that children become
12 adults and it's the population of the state. So it's
13 something that I think should be addressed in the future.

14 THE MODERATOR: Thank you.

15 Mr. Silides?

16 MR. SILIDES: George.

17 THE MODERATOR: George.

18 MR. SILIDES: Yes. I want to touch on something --
19 speak about something which has been touched upon, and that
20 is vocational training in the high schools.

21 As a product of the New York City School System I
22 can tell you that the most important thing that I got out
23 of going to high school was a mandatory manual training
24 program that they have in New York up to one-third -- that
25 which encompasses one-third of the time put into high

1 school.

2 I know, I was fortunate enough to go on to
3 college and so on, but when I graduated from high school,
4 you know, the business community did not come out and say,
5 "Oh, goody, there's a high school graduate. Let's make him
6 an executive." I went to work in a machine shop. And being
7 the new boy on the block, which -- I did all the dirty work.
8 But because -- at least I knew where to put the oil can in
9 the machines. I was also able to work those machines and
10 more and more.

11 And so in the three years that it took me between
12 high school and I went to college I was in vocational -- in
13 a machine shop of some type. Most people are not fortunate
14 enough to go to college, nor are they -- and it isn't --
15 not identity, but they should not even go to college. And
16 contrary to what every doting mother thinks, you know, and
17 what they say at the PTA, every -- you know, their little
18 Johnny is not going to become an Einstein. He's going to
19 be out on -- as part of the labor force. And he's just an
20 American and maybe even better by being tinsmith, an able
21 machinist, an able something.

22 And the school curriculum today, especially in
23 that Alaska, I think is woefully deficient in manual
24 training. Now, for a while -- and, of course, this is very
25 expensive because it costs a great deal of money to have a

1 fully equipped machine shop in that high school or a forge
2 or woodworking shop with lathes and all the rest. This is
3 very, very expensive. Because it costs a great deal for
4 blackboards and some textbooks, you know, everybody studies
5 trigonometry, which they will never use again unless you're
6 going on. But this state -- and this is what this
7 conference is all about, how to use unanticipated revenue.
8 And I would think that this group and this conference
9 should come up with a statement which advocates the placing
10 of sufficient -- first of all, the formulating within the
11 educational system of a proper manual arts program and also
12 the adequate funding of same. Believe me, without the
13 funding you're just wasting your time talking about it.

14 THE MODERATOR: Thank you very much, George.

15 Mr. Kocsis?

16 MR. KOCSIS: Yes. I wonder -- Mr. Silides said
17 something that again staff had been talking about, but I
18 throw it out for your discussion here. We're talking about
19 how to use nanticipated revenue, doin things other states
20 might not be able to. Yes, we've focussed our discussion
21 of education seemingly around school buildings and what
22 goes on in those buildings what we train people in them. I
23 wonder if this group wants to consider some alternatives:
24 A, you have the alternative -- we spent \$110 million out of
25 our last tax money we pulled in as a big chunk. Building

1 schools or authorizing schools under the Malahooch decision.
2 It's turned out in a lot of those cases that those school
3 buildings have been totally inadequate. They weren't
4 designed for what's going on out there. We're putting in
5 school buildings because that's education. But the same
6 money we're spending on those we can send our children in
7 this state all over the world. We could put them on
8 airplanes and send them where they wanted. They could go
9 to the scene. Whatever happens in the world, they could
10 watch it on TV. Our communications are that sophisticated
11 they could talk back in an interactive way. We may not like
12 it, but we've gotten to that stage. Can we now begin to
13 think about alternatives to education as something that
14 takes place in a big building? We have adventure based-
15 education programs the legislature has begun moving into.
16 We have an internship program which is on-the-job or
17 vocational training. We have examples of that here.
18 (Indicating.) These are working. Do we as a State want to
19 begin making commitments in those areas or do we want to
20 look at -- we better start looking at what the hell we're
21 building out there. If it's building we are into, the
22 State has not made the major commitments other states have
23 made in that area and I think that's one of the things we
24 could look at real closely. I leave that open for
25 discussion.

1 MR. SILIDES: Mr. Chairman, I agree with Mr. Kocsis to
2 a degree. The buildings which are being constructed, first
3 of all, may or may not be adequate for the purposes and,
4 secondly, though those building are not adequate, are not
5 fully utilized.

6 Again, in the system which I grew up in the
7 building was in use at seven o'clock in the morning until
8 eleven o'clock at night, and I would -- went in the morning
9 session and the evening -- afternoon session, and when I
10 finally had to reach school and go to work or not go to
11 school all I was able to do was go to school between 7 in
12 the evening and eleven o'clock at night.

13 Now, the vocational training that Mr. Kocsis
14 speaks about, for example, in -- that takes different forms.
15 And you can do that on the TV. But unless you have to be
16 involved in what I call manual training, that is the
17 operation of machines, see -- and that you cannot do on the
18 TV. You can take your lectures on TV, but eventually
19 you've got to put up the capital expenditures. You've got
20 to put the machines in the school buildings.

21 MR. KOCSIS: No -- I'm sorry

22 THE MODERATOR: Have I overlooked anybody? Just a
23 moment. Who's spoken? Anybody that hasn't had an
24 opportunity to speak?

25 MS. BURNETT: Did you want to speak? You came in late.

1 MR. STUMP: Yes, I'm sorry. I was not able to be here
2 for part of the meeting, so perhaps -- please stop me if
3 I'm being redundant or bringing up something that's already
4 been discussed.

5 I mentioned it in my comment at the -- in the
6 general discussion before we really got started or as we
7 were getting started, and that dealt with the problem and
8 the fear of government control. I know that that's some
9 real problems in dealing with disbursement of State monies
10 to private institutions. But I think again you have to
11 bring into consideration the fact that if you centralize or
12 when you centralize control over something as important as
13 education, if you -- if the State does such a great job
14 that you lose your private institutions or that the private
15 institutions just fade away for a variety of reasons --
16 probably cost is one of the most important there -- then
17 you are going to have the the possibility or the potential
18 of a direction of a killing off independent thinking,
19 thinking that is not in line with a policy established by
20 the State. And whether or not in order to avoid that
21 problem you can create better options to the school. The
22 State private school system or, in particular, the higher
23 educational levels.

24 THE MODERATOR: Thank you very much. Now that
25 everybody else had an opportunity to speak I'll say my peace.

1 I live in the bush. I fully recognize the inadequacy our
2 inability to properly staff our rural high schools
3 sufficiently to bring a full high school course on a very
4 high level to our young people. Now, with this problem
5 confronting us -- and if you don't live in the bush you
6 can't live with the problem. You might see it from a
7 distance, and that could be beneficial. We do not have the
8 hardware on a statewide basis as yet to deliver a statewide
9 educational television program that would be available to
10 anybody that had a TV receiver and could pick up that
11 channel.

12 But I firmly believe that in this area of
13 endeavor that we should address ourselves as Alaskans to
14 providing a statewide educational television network with
15 at least four 50-minute courses every morning five days a
16 week. Obviously we would have the finest instructors in
17 those courses available. If they weren't qualified, the
18 viewing audience would darn sure recognize it in a hurry.
19 The classroom teachers in the classrooms in our rural
20 schools and in our City schools, if they elected to view
21 the programs, instruction, the teachers in the classroom
22 would monitor, they would conduct testing, and in the
23 afternoon hours they would conduct tutoring. But it would
24 be a solid 50 minute program of educational television.

25 Now, at the present the satellite earth station

1 system we have in the State is about as modern as the first
2 1913 Model T Ford. Believe me. It is totally and
3 completely inadequate. There are Mark 8 Continentals
4 available in the satellite earth station configurations, if
5 you may, today. And these present satellite earth stations
6 are, in fact, contemporary artifacts that are still in
7 service and that have to be phased out or upgraded
8 substantially. I'm very excited about the potential. We
9 can come up with that and the right kind of a program that
10 will give our schools full -- they'll be fully accredited
11 schools. And these schools, these rural high schools, are
12 not fully equipped today.

13 I can envision where other people here have
14 touched on telecommunications and audio visual programming
15 of this nature. But do it on a statewide basis. Have it
16 available to every student in the State. You can even do
17 it on a college level.

18 I met with Senator George Hohman an hour in
19 Juneau three weeks ago. He just returned from a trip to
20 England. Independently, he paid for that trip 100 percent
21 out of his hip pocket. It wasn't state funds. And there's
22 a university in England with 50,000 students involved and
23 none of them in the classroom. It's all done by television.
24 Telecommunications. And they talk and question back and
25 forth by computer. Now, I note -- it's very noteworthy to

1 me that there's a been a strong emphasis here to vocational
2 technical education and counseling. We are very, very
3 short in that area of endeavor today, and the late great
4 Senator William E. Bell said he would flee Alaska -- and a
5 number of us in the first State legislature addressed
6 ourselves to that, and we built the first vocational high
7 school in the State. At Nome Alaska. And through
8 political chickenry on the part of the educators of the
9 State it was shot down. It's now being transferred to the
10 first- class City of Nome and is no longer a vocational
11 school. It's known as Nome-Bell High School. How
12 educators, the leaders of the State -- it's an indictment
13 of them and their philosophies. They've shot us down.

14 We're hurting desparately hurting for vocational-
15 technical training in our state. We have many of our young
16 people in rural Alaska that take the National Achievement
17 Test that are one and a half years behind on the national
18 average. They don't have the capacity, the academic
19 ability to sit down and write a college entrance
20 examination and be admitted to a university of higher
21 learning. If we leave this room without some guidance in
22 this conference to see to it we provide vocational-
23 technical skills for these young people so they can go out
24 and the world and be viable and haul their own freight,
25 then we are shortchanging them. It's our responsibility

1 here and now. We must address this. Thank you.

2 MR. KOCSIS: Mr. Chairman, excuse me. Our
3 stenographer needs to change her tape.

4 THE MODERATOR: Yes, we'll take a break while the
5 secretary changes the tape.

6 (A short recess was taken.)

7 THE MODERATOR: With the concurrence of the body we
8 will proceed to the Transportation section. When the
9 Education transcript comes back we can review that because
10 it will come back printed out so we can get it in front of
11 us, all of the cogent remarks that have been made. And
12 then we can develop a position statement. And in the
13 meantime, due to the shortness of this conference, I do
14 believe that we need to move along with efficiency and
15 dispatch and address the next area of endeavor,
16 Transportation. What is the consensus of the body?

17 MR. DAHL: Let's go.

18 THE MODERATOR: Mr. Sears?

19 MR. SEARS: Can I make a statement on that? One of
20 the major complaints is that we didn't receive this book
21 until, you know, Monday, and we haven't reviewed the
22 articles in this yet, and the fact that there will be a
23 transcript added on top of this to further go back and
24 rehash -- boy, that's a lot of reading to squeeze into the
25 next few days because we'll have a Transportation

1 transcript on top of that.

2 THE MODERATOR: I received mine at three o'clock
3 yesterday afternoon. I left at ten o'clock and arrived in
4 Anchorage at 12:20 and fell in bed at 3. By the time I got
5 my car at the airport, a flat tire and bite to eat because
6 I hadn't eaten all day, and I digested that until five
7 o'clock in the morning. So don't feel like the Lone Ranger.

8 MR. SEARS: That was just sort of a -- I know that's a
9 topic of consternation this morning.

10 THE MODERATOR: It is somewhat frustrating.

11 MR. KOCSIS: Mr. Chairman, Mr. Silides, one of the
12 gentleman that prepared the Transportation papers, is here,
13 if you want to go on that.

14 THE MODERATOR: Thank you. In opening, I'd like to
15 invite George Silides who has presented the paper here on
16 Transportation to have some personal input here now.

17 MR. SILIDES: Mr. Chairman, as far as personal input
18 is concerned, I take particularly to -- of course, I can
19 just go ahead and highlight and read the whole thing, but
20 mostly I'm here to answer any questions which may have
21 arisen from the reading of the paper.

22 THE MODERATOR: Would you please highlight it, George?

23 MR. SILIDES: I will highlight it and I will try to be
24 as brief as possible about it. Transportation is a very,
25 very large subject. But it's also possibly the most

1 sensitive issue, at least one which creates the most
2 discussion for the simple reason that no matter what the
3 current economic status of a country of Alaska is the
4 quality of life is enhanced by improved transportation or
5 the construction of facilities which make access to
6 improved transportation.

7 Now, this is especially true in rural Alaska,
8 which consists of much of Alaska as far as area goes,
9 although not as people. This was recognized by -- in more
10 than one paper this was recognized in 1972 -- particularly
11 in 1972 when up until that time the Division of Waters and
12 Harbors was primarily concerned with servicing the fishing
13 industry.

14 Since that time it has taken on the job or at
15 least should have began to take on the job of attempting to
16 make the delivery of freight, of all those things which you
17 need in Alaska whether in the urban area or in the rural
18 area but more particularly in the rural area all those
19 things which you need to simply live.

20 Quite often the mere existence of a community in
21 the rural area depends solely on the ease by which the
22 goods are being delivered to that community. And in 1972
23 we started a program, a bonding program, in order to get
24 away from user taxes. When we use a tax concept to a bond
25 issue concept -- and there was a bond issue in '72 and

1 '74 -- and then things seemed to be well on the way
2 towards providing services, tree services, transportation
3 services to rural Alaska.

4 In 1976 on very, very bad advice the government
5 vetoed the bond issue at that time. And then in spite of
6 the change in attitude by the administration the program
7 has never really gotten back up to speed. Part of that,
8 Senator -- and I think you'll remember this -- part of the
9 problem -- there are two problems first of all.

10 One is that in 1977 the Governor, by executive
11 order and concurrence of the legislature at the time
12 recreated -- and the Department of Transportation, if you
13 recall -- we had a knock-down drag-out fight in 1957, you
14 know, when we had the head of department, which is just
15 like the one you have now -- became so large and so
16 unwieldy that it became totally unresponsive to the
17 legislative event, it became totally unresponsive to the
18 wishes of Governor Egan, so he took the bull by the horns
19 and he order abolished it and recreated the Department of
20 Highways and so on.

21 Well, to come full circle, this administration
22 has decided to recreate the Department of Transportation,
23 and though I can personally recite a whole litany of bills
24 as to what is wrong -- but I also at the same time hope
25 that the Department will achieve its ends. Up till now it

1 appears unable to meet legislative intent or the Governor's
2 stated wishes. An example of the Governor's stated wishes --
3 you know, we have a pretest going on, especially in the
4 interior of Alaska, and some parts of the -- of course, you
5 always have that in rural Alaska. And I saw him come from
6 Fairbanks and Stanton and say, "I want all this work let
7 this year. " He says, "Well, the Department says, 'Well, we
8 don't care what you say and we're just going to fiddle
9 around.'" And then the classic bureaucratic manner when you
10 don't like what your superiors tell you -- you just simply --
11 you walk around and refuse and can't get things done. And
12 that's what happened.

13 The second thing is -- I'm on freight -- is
14 this matter of serious environmental fears. I'm talking
15 about -- not fears but rather the issues. Quite often in
16 these projects after they have been proven as fateful for
17 the local community -- they say we need a boat harbor here
18 or we need a dock here or a loading facility here or we
19 need a port here -- after all the valid concerns have been
20 aired and primitive issues along comes somebody with a
21 phony act -- I'll give you an example at Cordova -- first
22 I'll give you an example of Savonga. A very, very
23 dangerous airport. Finally got through the whole works and
24 the budget was about to be -- the budget was about to be
25 issued when somebody says, "Wait. We will need another six

1 months to study the effect of life in the lagoon. In the
2 meantime people were cracking up and Cordova, for example,
3 which is a community up against a mountain -- and to those
4 of you who are familiar with the costal communities -- all
5 you have there is a strip of beach. And the only way you
6 create landings is to tear out part of the mountain, throw
7 it in the ocean and create yourself a port. So you find
8 somebody with gravel somewhere.

9 Well, it took two years to get a free use gravel
10 permit on State land because somebody was concerned whether
11 or not the use of two acres for human use would adversely
12 affect the water fowl -- not water fowl but the shore birds
13 there which consist, to my knowledge, of some seagulls and
14 some loons. But that's what happens. So -- and when we
15 get that kind of delay with the rate of inflation the way
16 it is today the principal -- the potential of the principal
17 of any bond issue is seriously eroded. And that type of
18 delay is unconscionable.

19 Mr. Chairman, there's lots more to -- which is
20 designed for discussion here but, if I might skip at this
21 time, in interest of time, to the recommendations which are
22 found on Page D-44. And the number one priority in my mind
23 right now is to establish a high freight -- that is a ferry
24 system to -- between Kodiak, Alaska, and Bristol Bay, which
25 would be a shore -- a costal ferry system but one which

1 would have a potential for carrying a great deal of freight,
2 very few passengers.

3 Secondly is to construct a railroad link to the
4 village of Tanana the Yukon, and that would materially
5 change the way things are done on the rivers. Because the
6 rivers are now coming back into their own as major arteries
7 of transportation in the State as they once were.

8 So 3 is the construction of barge tie-up and
9 freight off-loading facilities at the communities on the
10 Yukon and Kuskokwim Rivers and on the major tributaries
11 such as the Platte and the Koyukuk, for example. And
12 something we've been talking about for a great many years
13 is to connect the Yukon River and the Kuskokwim River. And
14 indeed at one time there was a tramway there for all boats
15 back and forth. Then as early as 1914 there was the talk
16 of constructing a canal between the two rivers. The Planna'
17 canal has proven to be economically unsound and
18 environmentally unsound.

19 So what we are suggesting here is that we
20 construct approximately 30 miles -- 30-mile long gravel --
21 heavy-duty gravel unsurfaced highway link between the Yukon
22 and Kuskokwim at the point they come closest together,
23 which is around the vicinity of Pile Bay on the Kuskokwim
24 side and down the Kalskag on the other side.

25 To expand the original ports at Bethel and

1 Dillingham and, as a matter of fact, the surge in
2 Dillingham, and its environment and in Bethel and its
3 environment can be dated from the construction of those
4 ports.

5 Construct regional ports at Naknek and on the
6 Seward Peninsula and establish a ferry portage system from
7 Iliamna Bay to Kvichak Bay via the Pile Bay portage,
8 Iliamna Lake and the Kvichak River. All of that area, Mr.
9 Chairman, is readily accessible to water, and you simply do
10 not need 300 miles of highway going from nowhere to nowhere
11 and touching no village. That's just a waste of time. But
12 that's the type of proposal which has been made by some
13 very heavy-duty outside firms to the Highway Department, to
14 construct a road across all of this area.

15 And we propose that an independent Alaska Port
16 Authority be established. This has been very successfully
17 done in the most -- in some states. And the classic
18 example, of course, is the Port of New York Authority,
19 which, incidentally, also takes care of the ports in New
20 Jersey. The state of Hawaii -- all the ports in Hawaii are
21 built and owned by the State of Hawaii and leased out on a
22 management fee basis or concession basis in some way. But
23 the reason I want the port authority is to take -- to get
24 some action done.

25 And 9 is to put less dependency on federal

1 assistance. These days with the exception of Alaska
2 reaching all the rest of it -- we are not going to be
3 getting much help from the Federal Government anyway, but
4 it's always been the rule that he who has the gold make the
5 rules. And up until now we've been going around with our
6 hand out to the Feds for a million dollars here and a
7 million dollars there to construct a fortress. They're
8 circumscribed by law in that they must develop a cost-
9 benefit ratio. And though don't give a damn whether or not
10 the people there need that port or not. They have to --
11 the law says unless you can show dollarwise that each --
12 the income from that will be greater than the outgo at the
13 very beginning. From Day One you can't build a -- for
14 example, you know what's happened in your area, Mr.
15 Chairman.

16 Kodiak, for example, has been waiting for years
17 now while the court fiddles around, and here we are talking
18 about what to do with money. Put your money in hard -- in
19 facilities, which will assist three things, which will
20 assist the existing structures in fisheries which will
21 assist in the development of the bottom fishery and,
22 thirdly, will assist people to lower the cost of living by
23 bringing in goods to the area at a lesser rate. And
24 secondly -- lastly, rather, is to establish adequate
25 legislative oversight procedures.

1 If this conference, Mr. Chairman, is concerned
2 with setting up -- with developing a program, something has
3 to be done. We are saying that the port is successful in
4 the legislative and political environment of the State.
5 Quite often -- and what I'm afraid will happen is this
6 convention will come up with a report to the legislature.
7 The legislature will say, "Great. We approve." And so
8 they pass legislation and they fund the program. Okay?
9 And then they forget it. In the meantime, if one of the
10 departments doesn't particularly care to -- you know,
11 disagrees with you, they simply sit on it until it's a dead
12 issue. You've seen it happen. Both of us have seen it
13 happen. And I think that we really need to establish a
14 better oversight procedure. Thank you.

15 THE MODERATOR: Thank you very much, Senator. Senator,
16 you recognize, surely, that a Port Authority is totally
17 autonomous once it's established and untouchable by the
18 legislative process. But a port commission would not be.
19 It would be subject to the legislative process.

20 MR. SILIDES: I agree, Senator. That's correct. I
21 would have to yield to your language, that we do not want
22 the economists -- and again we'll say to you, "We don't
23 care what you say, fellows. We don't agree. This is
24 something that's an oversight."

25 THE MODERATOR: It could have legislative direction,

1 yes. Thank you. I'll, if I may, now, proceed -- we will
2 start this time from the left.

3 MS. BENNETT: Okay.

4 THE MODERATOR: And at this time I'd like to hear --
5 have some input, if I may, Mr. Bennett.

6 MS. BENNETT: Right.

7 THE MODERATOR: Thank you.

8 MS. BENNETT: I think transportation is a really
9 important place for us to put dollars. I think that it's --
10 what I see as being really important for the State to do is
11 to do things so we can have our own production industries.
12 And I don't mean necessarily oil refineries but small
13 businesses, fisheries, that kind of thing. Transportation
14 is extremely important just as I believe telecommunications
15 are. Those two things I feel are really an important place
16 to put our money. I think we need to realize that it's not
17 something we just put our money in but that it needs to be
18 funded for maintenance also. It's a really large
19 expenditure. I guess that's obvious to everyone. I think
20 that the article on -- may I go -- are we talking about all
21 the transportation systems or just water?

22 THE MODERATOR: Whatever.

23 MS. BENNETT: That the article on the railroad was
24 really interesting in that the author's concern for the
25 easement, losing the easements right now even if we're not

1 going to put in the railroad -- that that's something that
2 should be done immediately. That railroad is a good low
3 impact kind of transport for getting mineral resources or
4 whatever out. It's not like putting in a road where
5 anybody can hop in their Jeep and go. I don't think we
6 should put in roads unless we improve roads within towns,
7 that we don't want to connect villages by road. And I also
8 agree that the water transportation is very important.
9 That's it.

10 THE MODERATOR: Thank you very much.

11 Mr. Stump?

12 MR. STUMP: Is it Mr. Silides?

13 MR. SILIDES: Yes.

14 MR. STUMP: I'm from Ketchikan, and when reading the --
15 through the transportation section I'm looking at the
16 different ones -- I went right to the waterborne one
17 because waterborne is virtually the only transportation we
18 have in Southeast Alaska. And not only was I -- other
19 people that I met were quite disappointed in the amount of
20 emphasis dealing with Southeast Alaska's Marine Highway
21 system in the water-borne transportation section, but we
22 were quite amazed and somewhat appalled to see that it
23 states that the system was primarily designed to
24 accommodate tourist traffic and private vehicles.

25 The freight transportation of the capacity system

1 was quickly recognized. That was not the understanding of
2 the people in Southwest Alaska. When it was proposed and
3 pushed through by people in Southwest Alaska who had no
4 other means of transportation except for freighter service
5 which was, of course, a major problem and also -- or
6 airplane, which serves all of Alaska and, for the most part
7 in some form or fashion, that it was the needs of the
8 communities in freight and in transportation of the people,
9 residents between the cities that was a major concern and a
10 major basis for the development of the Alaskan Marine
11 Highway system, at least in Southwest Alaska.

12 I don't know how strenuously I can emphasize that,
13 but I think that that direction is quite clear based on
14 recent developments and, for example, Governor Hammond
15 trying to decide whether or not to use one of the Conte
16 Class Ferries to transport or provide a tourist-oriented
17 side trip to the Creek National Monument behind Alaska for
18 which case it was pointed out repeatedly that it was not to
19 provide a tourist system but to provide for the needs of
20 people of Southeast Alaska. That's our only way of
21 connection between communities outside of airplane. And I
22 think that it's extremely important that people throughout
23 the State realize, who have very little roads connecting --
24 no roads that actually connect communities in Southeast
25 Alaska, the exception, of course, being Haines or Skagway,

1 which does have an access through Canada to Alaska.

2 MR. SILIDES. Let me interrupt. I'm not arguing with
3 you. As a matter of fact, your comments are actually in
4 concert with what we had. I don't know if you were here
5 twenty years ago when all this came about, but I'm telling
6 you how the thing was. And this report says -- it
7 recognizes the fact that rather than worry about what we
8 said 22 years ago, or whatever it was, 20 some odd years
9 there ought to be in Southwest Alaska -- if you ever do
10 that with -- and I'll tell you right now, if not for the
11 help of the Fairbanks area, you would not have had a ferry
12 because that proposition was defeated in the Anchorage area.
13 That's part of the history of it. Okay?

14 MR. STUMP: Yes, sir. I remember well.

15 MR. SILIDES: Okay. If you do remember, it was
16 defeated in the Anchorage area and it was the fact that
17 southeastern joined with Fairbanks and we weren't concerned
18 about the ferry system then for tourists. We were
19 concerned about what it would do to create transportation
20 between the cities. That came about. Okay? I was
21 bragging in this report. It was bragging about the fact
22 that that, indeed, is the chief purpose or the chief
23 function at this time. And I want to extend that function
24 of being able to carry freight and carry communications
25 between the cities of the area to the western world, you

1 know. So you shouldn't take my perception 20 some odd
2 years ago when I was involved in getting this thing passed.

3 MR. STUMP: Am I mistaken? I thought that this report
4 was dealing with the present and was written for this
5 particular conference.

6 MR. SILIDES: It was written for now, that's right.

7 MR. STUMP: Oh. Well, it seems to me that, first of
8 all, there are some very substantial problems and concerns
9 in Southeast Alaska dealing with water-borne transportation
10 that were not brought into focus in this and perhaps I have
11 a misunderstanding what --

12 MR. SILIDES: Let's do it now --

13 MR. STUMP: -- the direction of the various reports in
14 here are or what they're supposed to be concerned with.
15 But the fact that in the recommendations they're not --
16 there's not a single reference to any of the issues and
17 concerns of the Marine Highway system in Southwest Alaska.

18 MR. SILIDES: Mr. Chairman, not to belabor the issue,
19 but -- you know, if you write -- and I -- this is a
20 compilation of -- now, you can write about this subject
21 forever. You can write hundreds of pages. You've got to
22 skim over it. Now, there's certain places in this
23 conference you've got to give assistance to those areas
24 which are lease able to assist themselves. Believe me,
25 Ketchikan is a lot more able to -- we recognize those

1 problems. And no one is planning to ignore the parlance of
2 Ketchikan.

3 For example, this report does not say anything
4 about the Port of Anchorage nor does it say anything about
5 the potential of Point McKenzie as an oil -- as a chemical
6 port. It doesn't discuss Anchorage because that's in place
7 and it's taken care of itself. Ketchikan and Southeastern
8 have a great many needs, but it's only started. There is
9 nothing out there in western Alaska, absolutely nothing,
10 you know. And what I'm trying to draw -- maybe I haven't
11 done it properly, but I'm trying to draw the -- I'm trying
12 to say, "Look at the good it's taken in Southwestern, ad
13 let's take that good that's created and send it to the
14 Western." And that's the purpose of that paper, not to
15 downgrade what you need.

16 THE MODERATOR: I think that we should proceed and
17 give some other people an opportunity to put some input.
18 You have a Marine Highway system in Southwestern Alaska
19 that's functioning. It's subsidized by 20 million a year
20 you're in business. We're addressing future frontiers that
21 need to have their problems solved. Your problems for by
22 lines are solved.

23 MR. STUMP: That would probably be a point of
24 contention.

25 THE MODERATOR: All right. Mrs. Burnett?

1 MS. BURNETT: Yes. I'll make mine very brief. I just
2 have to agree with what George has to say. But I think the
3 point he's trying to make is we are totally interdependent,
4 and the success of one particular area of this huge state
5 is very closely related to the rest of it, and I think his
6 remarks are well taken. I pass.

7 THE MODERATOR: Thank you.

8 Mr. Jacobson?

9 MR. JACOBSON: (Indicating)

10 THE MODERATOR: Mr. Sears?

11 MR. SEARS: I'd just like to say I think his
12 recommendations are really exciting. You know, it seems
13 that for just a small -- for a comparatively small price it
14 seems like there can be a lot of returns made, financial
15 returns.

16 But the point I wanted to make, just to change a
17 little bit from the Marine Highway, was recently there was
18 a conference held on the future of air transportation in
19 Alaska. And the FAA came up with some pretty frightening
20 proposed guidelines for the light aircraft industry. I
21 think we're probably all familiar within -- and probably a
22 lot of you are a lot more familiar than I am -- a lot of
23 them involve security procedures in the bush that are
24 impractical and very expensive. I'd like to see one of the
25 results of this committee to -- I don't know what the --

1 what the legal standpoint is. I know that when the State
2 of Alaska butts up against the federal it's always a big
3 confrontation.

4 MR. DAHL: They win.

5 MR. SEARS: Well, I don't know what the legal
6 implications are, but I would like to see at least this
7 committee take a strong stance in favor of the small bush
8 carriers. I don't -- I don't know how practical that is.
9 I don't know if we have a choice in the matter. Is there?
10 I mean, you're a lawyer.

11 MR. DAHL: I should know everything, right?

12 MR. SEARS: Sure.

13 MR. DAHL: You're a lawyer too, Jim. Why don't you
14 answer that?

15 You're a lawyer too, Rob. Why don't you answer
16 that?

17 MR. KOCSIS: Notice how we all run for cover.
18 Where is Walt Parker when we need him?

19 THE MODERATOR: Are you through, Mr. Sears?

20 MR. SEARS: Well, I don't know if it's worthy of any
21 comment, but the point is made.

22 THE MODERATOR: Thank you.

23 Mr. Ackerman?

24 MR. ACKERMAN: On this water transportation, for many
25 years they've talked about possibly, you know, a ferry

1 connecting -- for many years they talk about an interior
2 ferry that can circle Eagle and Dawson, which would really
3 expand our transportation system since there are roads at
4 both ends and it would get into the interior a little bit
5 cheaper. I think one of the things that concerns me most
6 about our transportation is on freight in Alaska. And it's
7 all over Alaska you buy a roundtrip ticket and you travel
8 one way. And I think that we have to, on the cost of our
9 transportation after we get it -- we have to develop
10 industries all over where we're traveling both ways, we
11 have a back, we get a balance of trade. I think that's
12 something really legal. I imagine that would be a topic.
13 I think that's one of our major problem, that we don't
14 develop back haul. I think if we do have back haul we can
15 develop it.

16 THE MODERATOR: Thank you, Mr. Ackerman.

17 Mr. Fisher?

18 MR. FISHER: Yes. I checked the 1969 recommendations,
19 and they have very brief references in the 1959 to
20 transportation and the concern for transportation and the
21 establishment of some independence. And I think the idea
22 of independence is very good, and I think we need to push
23 with it. This talk about ferries on the river systems is
24 an excellent idea. The river systems are hopefully coming
25 into their own and will be utilized much as they were in

1 the early decades of this century.

2 One example of the possibility is the fact that
3 there are now four schedules a year from Homer to King Cove.
4 And the master -- his name is Dick Hoffstead on the
5 Tustumena said that with a schedule change -- all it takes
6 is a schedule change-- he could run to Unalaska once a
7 month, which would carry the flag that far to Western and
8 hopefully it would engender some additional activity on the
9 coast for both freight and passengers. And I think that
10 type of program when connected to the river systems in the
11 interior is extremely important with respect to the Marine
12 transport opportunity that we've got in this state.

13 While we're doing that we should not overlook the
14 need to improve the facilities for air transportation in
15 some of the more remote villages. It seems that primarily
16 what's needed in a very general fashion are better
17 destination facilities in small rural towns and a system
18 for better equipment and the navigation facilities for
19 those for the air transportation system.

20 THE MODERATOR: Thank you, Mr. Fisher.

21 Mr. Dahl.

22 MR. DAHL: Just two things, Mr. Chairman: Several
23 years ago there was some discussion in this state of a
24 comprehensive transportation plan. I wonder if the Senator
25 could comment on the present status of that comprehensive

1 transportation plan. Is there one?

2 MR. SILIDES: No, there isn't one. And it's a pet
3 peeve of mine with the legislature for many, many years.
4 In fact, with the present legislature there is no -- there
5 are five-year plans which -- last year there are 10-year
6 plans but there is no comprehensive plan prepared for
7 Alaska that I know of.

8 MR. DAHL: Mr. Chairman, it seems -- I knew that was
9 the answer, which is why I always ask those type of
10 questions. I think it's unconscionable that we as a State
11 with resources as great as ours deal with transportation
12 issues in a way other than comprehensive. We've taken a
13 step, it seems to me, by lodging transportation in a single
14 department. That appears to me to be an administrative
15 move that's correct. But there are so many issues that
16 need to be -- that need to be dealt with through
17 transportation.

18 One of the issues that we're going to be
19 discussing at a later time is the use of in-state oil. I'm
20 very concerned about Western Alaska. I'm concerned about
21 the lower Yukon and the low Koskokwim. And it seems to me
22 we need to get into a situation where we're transporting
23 fuel from Alaska down river to bush communities, not up
24 river from somewhere else through Bethel or Saint Michael.
25 I think it's critical that we begin moving fuel from our

1 MR. KOCSIS: Mr. Denny is not here, sir.

2 THE MODERATOR: Okay. Mr. Alexie.

3 MR. ALEXIE: Mr. Chairman, when I read this -- when I
4 read about transportation, aside from Kuskokwim, I'm all
5 for this 30-mile gravel highway because that will reduce
6 some of the shortage on our section over there because this
7 highway will not be connected to any city but it will be
8 very useful for the creeks that cannot go on this side or
9 the other side. And the other ones are docked at Bethel
10 and ex band because sometimes there's two barges and one is
11 anchored down in the river, one is out loading, so they
12 take care of them one at a time. It's just all I can say.

13 THE MODERATOR: Thank you.

14 Mrs. Anasogak.

15 MS. ANASOGAK: Mr. Chairman, I haven't heard too much
16 on the air transportation. The area that I come from is --
17 we mainly -- that's our main source of transportation, is
18 by air. A lot of our goods, groceries and that whatnot
19 come by air. And sometimes along with also the freight
20 charges that we pay exceeds the price that we pay for the
21 goods in the first place. And I don't know what's being
22 done or I haven't heard anything about the navigational
23 systems in our present air fields in our area. I feel that
24 navigational lights should be installed in every air field
25 because in my field of work as a community health agent

1 there's nothing more frustrating than trying to get a
2 patient out in the middle of the night. Because you can't
3 get a plane in, and you have to round up snow machines or
4 whatever -- whatever means of lighting up that air field so
5 that a plane can come in and out.

6 THE MODERATOR: Thank you. Lynda Brown.

7 MR. LIND: She mentioned a couple of things that I was
8 thinking about, was the air transportation system. The
9 State is so large that every area of the State has its own
10 transportation problems, and I think that the comprehensive
11 plan is really absolutely necessary because it's really
12 fact cool at this point and controversial. I know that the
13 basic air transportation plans have not kept pace with
14 other changes. You know, there are bush areas trying to
15 get fish out and they can't get fish out because their
16 strips are simply inadequate to handle those kinds of
17 aircraft to carry them out. And the State is really very
18 far behind. And that's a question of mine.

19 But I certainly feel that the transportation
20 system that we eventually evolve has to be responsive to a
21 change in needs in every area of the State. I think
22 Southeastern has some tremendous needs that certainly
23 haven't been taken care of by \$21 million. That's really
24 not the point. The point is efficiency. And it's just
25 like not being able to get the fish out because the air

1 strips are inadequate. These are the areas where we have
2 to spend the money so we can continue to grow as a state,
3 we can continue to -- I mean fishing jobs is very simple.
4 And I think these are very important points.

5 THE MODERATOR: Thank you.

6 Mr. Borodkin?

7 MR. BORODKIN: Yes, Mr. Chairman, I'm really excited
8 about the coast ways transportation. But one thing I'd
9 like to see is if the recommendation is going to be taken
10 up as to plug the gap between Southeastern and Cordova. As
11 you know, in that area we don't have a ferry that connects
12 from Southeastern to Cordova. And as we plug the gap then
13 you'd have a Coastways Service from Seattle all the way up
14 to Bristol Bay.

15 THE MODERATOR: Thank you.

16 Mr. Bradley?

17 MR. BRADLEY: Thank you, Mr. Chairman. On behalf of
18 my wife who had to leave to take care of the kids, she
19 wanted me to stress her feelings on transportation. As I
20 understand it. And those feelings are that she's strongly
21 in favor of providing the same level of service for rural
22 Alaska in general, that is provided for urban Alaska.

23 Amplifying on that a little bit, I would imagine
24 her thoughts would stress air and water transportation in
25 those parts of rural Alaska that lend themselves to that.

1 So that they involve subsidizations or some economic words
2 that economists would use. She would be in favor of that.

3 THE MODERATOR: Thank you very much.

4 Yes, Mr. Kocsis?

5 MR. KOCSIS: I'm thinking again of the recommendations
6 that you're going to be making, and I wonder if could just
7 share with you things. I wonder if you want make
8 recommendations like this: You are looking at the problem
9 and you're asking -- air and water seems to be the big
10 thing. It certainly is in the area I come from. Devise a
11 plan, and I wonder if the State can submit something like
12 this. You need to, A, improve all of the things that we
13 talked about. You've got to get all the runways to where
14 you to get planes in and out. Is that State obligated to do
15 that? Where does it come in as a priority? We need to
16 have some response from you.

17 Secondly, the equipment itself. When the CAB
18 deregulated in 1978 it meant the subsidies were available
19 on a direct basis to small carriers. That means they can
20 not perhaps begin to complete realistically on routs.
21 We've got to give them our assistance. the Should State
22 begin to look into cooperative ventures on the actual
23 purchase of equipment to service these routes? Should the
24 State encourage regional c .porations which now, if they
25 ran their own airplanes could pick up these subsidies

1 directly? Should they turn to corporations who are already
2 responsible to develop most of the airlines which would
3 feed into small hubs? And then maybe you begin to consider
4 a State airline which you contract the operation of it.
5 The State owns it and services our citizens. And then you
6 look to Pacific and Polar. Somewhere along the line you
7 have to begin to ask how that airline begins to make trips
8 down to our resource consumers bringing back things that
9 they want. And then perhaps you can conceptualize a super
10 airport in Northwestern Alaska somewhere. And what happens
11 is all the trans-polar flights will stop there. They'll do
12 one thing. They'll fuel. They'll fuel from a small
13 refinery that produces nothing except aviation fuel, and we
14 can do it at a cheaper price because it's ours. And Alaska
15 gets out of it free cargo and reduced price on every fifth
16 flight that comes in. Our stuff comes in at a lower price.
17 And we send out the fish and so forth that the regional
18 airlines bring into this place. And also this airport can
19 become a northern terminal of your rail port. So you can
20 take stuff down that way. Do we want to make
21 recommendations like that?

22 MR. FISHER: How about the secondary --

23 MR. KOCSIS: I'm thinking we do. Obviously.

24 MR. FISHER: For instance, how about the secondary
25 socioeconomic impact putting something like that --

1 MR. DAIL: I think it was going to go to Teller.

2 MR. KOCSIS: I think we have enough space. Seriously,
3 that's one of the conversations too. Environmentally we've
4 overloaded our population. Fairbanks and Anchorage can't
5 take it any more. They're diverting flights because of
6 overloading gasoline problems, the whole thing. I think
7 environmentally we could do a lot better job in Northwest
8 Alaska somewhere. I think they could do it. Hell, they
9 built a pipeline. We've got to be able to solve that one.
10 It would have the least impact on population.

11 MR. SILIDES: You have one of the finest airports in
12 the world, for example, at Cold Bay, Alaska.

13 MR. KOCSIS: Yes, sir.

14 MR. SILIDES: And you'll each find that that's
15 developed. There's only one problem with Cold Bay, Alaska:
16 fuel.

17 MR. KOCSIS: Yes.

18 MR. SILIDES: Cold Bay, Alaska, is shorter than
19 anywhere else.

20 THE MODERATOR: I'd like to have an opportunity to
21 have some input now myself on this transportation.
22 Everybody else has spoken, I believe. We in the 1960s, as
23 Chairman of the subcommittee of finance for 12 years
24 handling the public works budget and the highways budget
25 had -- we didn't have very much money in those days. We

1 designed our bush airports on brown wrapping paper. And we
2 put them out on contract with miners here and there who
3 built bush airports. A miner built an airport at Kodiak.
4 He built one at "Shuktukane". He built one, too, I believe
5 at "Hoytmah". And "Shelum". And on and on around the
6 State. It went that way. And Southeastern Alaska they
7 have the southeastern conference old time friend of mine
8 Dale Stump was involved in that. Felix Toner wrote a
9 report referred to as Toner fairytales on the Marine
10 Highway system to help push that legislation through and
11 fond the Marine Highway system in Southeastern Alaska,
12 ferry system, the first three canoes, and moved up to
13 Cordova. I don't know what happened to it. It was
14 supposed to have been there.

15 MR. BORODKIN: It went back to Southwestern.

16 MR. STUMP: It runs to Ketchikan --

17 THE MODERATOR: There you see. Political pressure
18 here and there to move it around like checkers on a
19 checkerboard. You're amply familiar with that caper. Now
20 we need -- definitely need to extend the Marine Highway
21 system on up to Cordova. We need to upgrade our airports
22 throughout the State. And four years ago after Mr. Hammond
23 was elected governor I conversed with him on this. We had
24 the money to do it and to making a comprehensive -- new
25 comprehensive airport plans that the for the State but

1 first, before we make that comprehensive airport plan take
2 inventory of the existing airports or conditions, what it
3 would take requiring to upgrade them. That has not been
4 accomplished. Now, we've programmed and doubled Mr. Egan's
5 airport bonding request for airport construction. We used
6 up all the Federal aid airport matching funds that were
7 available. We didn't lead any Federal airport matching
8 funds last. I don't know what the status of it is today,
9 but the transportation picture in the Northwest, at least --
10 and I don't like to be provincial. I want to address myself
11 here on a statewide basis, a statewide needs. But we have
12 to have input from each area of the State, and we're all
13 representative in many areas of the State. So at the risk
14 of being provincial, I'll address that particular area as
15 it affects us.

16 Alaska Steamship went out of business, Crowley
17 Maritime Corporation moved in with Tug and Barge Service.
18 Foss Alaska Line moved in, a Dillingham Corporation.
19 Northland Marine Lines moved in. And there was a high
20 spirit of competition in Tug and Barge Service into the
21 Bering Sea. But one thing that was not competitive,
22 believe me, was the prices. If there's any group of people
23 in the transportation industry guilty of price fixing I'm
24 convinced those people are. An example: Three years ago
25 the published tariff of the Crowley Maritime Corporation,

1 Antarctic Light Ridge subsidiary that they own in Nome,
2 Alaska their barge rate of a gallon of petroleum product --
3 gas or oil -- by tug and barge to Nome to Teller was 41
4 cents a gallon. And I was hauling it over the Nome Teller
5 Road with my own trucks for 16 cents. It's unreal that
6 road highway transportation would be more than water
7 transportation. And I may be remiss, but I have not sought
8 to find out what the current tariff is. We're no longer
9 interested. Even though the accelerated cost of fuel today
10 to run our generators -- we buy our fuel every Monday
11 morning. Last Monday it cost us a dollar and 32 cents a
12 gallon to put fuel in our tanks in our powerhouse. Now,
13 then, the bush airports are overloaded. They are moving
14 from -- they move in the 1950s from tail draggers swept wing,
15 and Beavers to Cessna 206's and Aero Commanders. Now
16 they're moving from Aero Commanders and Beavers to single
17 Otters and twin Otters, Sky Vans, and our airports are now
18 too short to accommodate them, and we're supposedly a
19 wealthy state. We don't have to build airports designed on
20 Browene wrapping paper anymore, but they haven't been
21 adequately upgraded. Although we built the lower Yukon
22 multi-engine field at Amdrosky and we build a multi-engine
23 field at Gamble and Prudhoe Bay and Point Hope, and Barrow
24 improved Bethel, improved Dillingham -- we didn't improve
25 youth off cleat -- they need a cross run way badly. We can

1 go on and on and on, but we need a comprehensive statewide
2 in convenient story and a statewide development plan. And
3 this Department of Transportation animal that we have today
4 has not done the job.

5 MR. FISHER: you weren't confining your inventory just
6 to air transportation, then?

7 THE MODERATOR: No. Now, the people in the Northwest,
8 number one -- they do not want a highway link to Anchorage
9 or Fairbanks. There would be too many pressures brought on
10 by the easy access into the area, by people that -- by
11 people that live out there that just as soon wouldn't come.

12 Why, they show up on an airplane they try and be
13 friendly and courteous and all, but by and large it would
14 be an awful lot of pressures. We know what happened to the
15 caribou herd on Skys Highway area and we know what happened
16 up in that -- up around the Tangerra Lakes into the
17 interior caribou herd and Sweet Lake and McKinley Park Road
18 there for about -- Johnny Windress Roadhouse there on the
19 ridges. Packson's Lodge. An easy access road was in the
20 herds, and the herds were "bootering." Those same pressures
21 can come with the road from Fairbanks to Nome or from
22 Anchorage to Nome or to Kotzebue. But we don't even want a
23 road from Nome to Kotzebue. We do want to see some roads
24 connecting some of our villages for service access by road.
25 Now, the roads out there are not maintained year-round.

1 God puts the snow there and God takes it away. The
2 maintenance crew goes on around the fuss of May and it goes
3 off around the first every October.

4 There's a very real need to upgrade the bush
5 airports in the State to no less than 4,000 feet and widen
6 them out.

7 We're now confronted with this factor at home.
8 This evening I had some 22,000 pounds of Parcel Post and
9 air freight weathered in at Nome that's been there now for
10 nine days. We've had good weather the last couple of days,
11 but all aircraft have been busy in an air search for a
12 missing aircraft with four people. So the air freight and
13 the mail isn't moving. We have a 2600-foot air strip.
14 They've graduated from Cessna 207 and Aero Commander
15 aircraft to twin Otters that are bringing in 3,000 pounds
16 of air freight in one clip instead of a thousand to 1500
17 pounds. That necessitates a larger vehicle to accommodate
18 that air freight. You can't leave it on the air strip in
19 severe weather. By the time you get up the airport two
20 miles and load up and come back the two miles and unload
21 and go back and get a second load, the stuff you left up
22 there is frozen, not fit to eat, not fit to sell. And you
23 can multiply that problem by every commodity out there.
24 Our bush airports are not inadequate.

25 Thank you.

1 MR. KOCSIS: Mr. Chairman. I wonder does the group
2 want to address or should they address this? It makes a
3 difference who does it. Does it all come out of the state?
4 And it goes directly to the local contracting? That's the
5 kind of decision that we're in a position to make. We can
6 make that improvement because of the money we have in the
7 state. Can we go on that lower level? How does the group
8 envision this happening? Is it going to be a master plan
9 that the State comes up with that they come down and
10 building airports for you and parcel out the money little
11 by little, or is it going to be one where the local
12 communities build the airport? I also wonder where does
13 the money come from? Is that an obligation -- is that what
14 this bonus -- not bonus -- this unexpected revenue we have --
15 is that what that money should go to? Is this a priority?
16 Should it be greater than from the Federal Government?
17 Should we go into corporation partnerships? We have in the
18 native corporation a larger source of money that we haven't
19 really interfaced adequately. Should we look to them and
20 the State and the local units, form together in that way?
21 Would the group address those issues? Or do they care to?

22 THE MODERATOR: The Federal Aviation Agency yields a
23 lot of control over airport location and design, whether we
24 like it or not. They can dictate to an air carrier that's
25 carrying mail, mail contracts, what airports to use and

1 what ones not to use. They can say to an insurance
2 underwriter and broker, "If this aircraft uses this field,
3 his insurance would be void. We just won't go along with
4 it." And that's the way it is.

5 MR. KOCSIS: Mr. Chairman, we now have the position to
6 respond. If they say this is a reasonable requirement, we
7 think the State will find it to be reasonable and chooses
8 to make the commitment, we can build you that field now.
9 That's the kind of decisions we can make. And again then
10 once they've agreed that if you have such and such a field,
11 you'll put the flight in, who builds that field? Send it
12 down from the State level or send it to the local level.

13 THE MODERATOR: It would be nice to get it on a
14 community level and get away from the State, eases
15 administrative procedures, red tape.

16 MR. SILIDES: Mr. Chairman, if I may, it depends on
17 the sophistication. I speak now as an engineer. It
18 depends on the sophistication of the State.

19 MR. SILIDES: But an airport is something else again.
20 So I think you have to look again at the specific project
21 and say to yourself, "You notice this is not part of our
22 job here, you know." Now, the link between the Yukon and
23 Koskokwim can develop. They can possibly be done by local
24 contractors for two reasons: One, because it can be done;
25 secondly, it aids the economy. An airport on the other hand

1 involves public safety. You see. And that has to be done
2 to specifications. And very rigid specifications. And
3 therefore I think the process is important.

4 MR. KOCSIS: Okay. But again I guess my question
5 would be: Who is going to be the guy that leads the bit?
6 The State of Alaska? Is it going to be a contract between
7 him and somebody that comes down and build them an airport
8 or is it going to be the people in that town making their
9 own decision to the effect that they need experts to hire
10 them?

11 MR. SILIDES: Well, Mr. Kocsis, let me approach the
12 golden rule. He who has the gold make the rules.

13 MS. BURNETT: Right.

14 MR. KOESIS: That's why I make the question. There's
15 been gold back in Juneau for a long time. I think the
16 maybe they might like to see it spread.

17 MR. SILIDES: That's right.

18 THE MODERATOR: Mr. Dahl.

19 MR. DAHL: It seems to me that there are several
20 things occurring here. Certainly it's not advisable for
21 the State to build an airport a place that's overseen by
22 the State with people that -- with contractors that are
23 chosen by the State and laid on superimposed onto a local
24 area without not just -- not just adequate or superficial
25 public response. But significant public response is an

1 example. It's north of Bethel on the Kuskokwim. They're
2 suspecting a problem now with an airport that was built
3 over a traditional cemetery. Now, that's dumb to do that.
4 And there's no reason to make those kind of mistakes. The
5 reason that those mistakes are made is that nobody asks any
6 questions. And that it seems to me that the State does
7 have the money to do that and ought to have the sensitivity
8 to deal creatively with local people to get the job. Now,
9 whether that means hiring a local contractor I don't know.
10 I'm not willing to even participate in that.

11 THE MODERATOR: We're going to have to take a break
12 for a tape change.

13 MR. ACKERMAN: Carolyn, I'd like to comment on some
14 planning zoning and changing.

15 THE REPORTER: Mr. Chairman, we have to change the
16 tape and then we'll come back to you. Please? Thank you.

17 THE MODERATOR: I certify our group is on a diet.
18 We're thinning out. Hopefully they're in the smoker or
19 whatever. Mr. Ackerman, would you please proceed?

20 MR. ACKERMAN: Oh, we were speaking of the runway that
21 was built over the --

22 THE MODERATOR: Speak up, please.

23 MR. ACKERMAN: The last legislature, I think Bob
24 expounded on it a little bit. If they don't get returns in
25 90 days, they go ahead on the process. One of the main

1 problems we found out is Fairbanks with the Department of
2 Transportation. If you don't like the project, you don't
3 get any project.

4 THE MODERATOR: That's so true.

5 MR. ACKERMAN: I think that's something we have to
6 look at. I think one of the best because the legislature
7 was a meaningful public input. However, we need to slow
8 down and look at these a little bit more and get the public
9 input and see where the needs a little bit better.

10 MR. FISHER: Isn't that the argument for legislative
11 oversight?

12 THE MODERATOR: Yes, Mr. Fisher, yes.

13 Does anybody else have any input at this time in
14 this area?

15 MS. BENNETT: I'd like to make a comment.

16 THE MODERATOR: Miss Bennett.

17 MS. BENNETT: I would like to see in trying to do
18 something different with this than has been done before. I
19 think it would be a good idea to fund research for
20 maintenance when you talk about lights on the runway or
21 communications or buildings on the runways. For air
22 transport all these things are important. People in the
23 village would be able to take care of those, and I doubt
24 that there's adequate technology now if the lights went out
25 someone could fix them. And things need to be simplified.

1 And I think that would mean a whole new system. It's
2 probably a very expensive proposition. It would be a great
3 thing for the State if special buildings were easy to
4 transport and put up lights that were easy to maintain and
5 install, et cetera. That kind of research would be good to
6 use some plan as far as air systems would go.

7 THE MODERATOR: Yes, Mr. Borodkin.

8 MR. BORODKIN: Yes, I think the villages would have a
9 final say in location of any airport built within the
10 village boundaries because of Section 14-C under the Claims
11 Act. That provision allows village corporations to make
12 reconveyance either to the municipality or to the State in
13 trust. So they'd work hand in hand.

14 THE MODERATOR: Thank you, Mr. Borodkin. Miss
15 Anasogak.

16 MS. ANASOGAK: Just a comment on what she just said
17 where maintenance part of these navigational systems would
18 come from the village. That would be where the education
19 part would come, because if we provided the kids with the
20 education, the necessary education, the vocational skills
21 to maintain these things, these kind of things, if the
22 students so desired, you could.

23 MR. KOCSIS: Mr. Chairman, we have with us two of the
24 gentlemen who wrote pages that are in front of you here.
25 if I may introduce them, Mr. Walt Parker who wrote the

1 report on air transportation is sitting here and Mr. Red
2 Swanson, Representative Swanson -- former Representative
3 Swanson who wrote the paper on rail transportation.

4 Our time is going to be limited in this room, and
5 if the group had questions and they would consider it, we
6 might have comments from them.

7 THE MODERATOR: Are there any questions regarding the
8 papers on air transportation presented by Mr. Parker or on
9 rail transportation by Mr. Swanson? Mr. Fisher?

10 MR. FISHER: I would like to direct a question to Mr.
11 Parker. He didn't cover the alternative of possible State
12 ownership of any of those bush facilities as to operating
13 airlines, say comparable to the -- maybe we ought to have a
14 State skyway system like the Marine Highway system in such
15 areas as might be. You didn't cover that. Any comments?

16 MR. PARKER: Mr. Chairman, no, I didn't raise that
17 particular option. I guess from a feeling that with the
18 stage of deregulation that the aviation industry is in now,
19 that we do need to give that a little more of a try before
20 we proceed to the next stage, if deregulation doesn't work.
21 But with so many air carriers existing in Alaska and the
22 level of competition that does exist at some level, why,
23 moving a State air carrier in there at this time didn't
24 seem like an option I cared to propose any way.

25 But one of the options that is available is to

1 provide support for operators so that they can finance new
2 equipment. One of the major problems with the industry now
3 is that a lot of operators simply aren't able to finance
4 new aircraft on three-year terms, which is what the banks
5 usually will limit them to. And if we can work out some
6 system for financing, we can probably get the right
7 aircraft in place.

8 In the other areas, though, we did strongly
9 propose that the State move into those areas that the
10 Federal Government has never moved in and is probably not
11 going to. The problem is that from the regional centers
12 out from Nome, Barrow and so on out to the villages, Alaska
13 just doesn't fit with the national air system, and it's
14 never fit FAA criteria or Civil Aeronautics Board criteria.
15 And we really do have to sit down and design a special
16 system that's uniquely suited to providing that service
17 aircraft through a system that's certifiable so that the
18 insurance liability and all those things will be operating
19 there the same as it is in any other airport, but one
20 that's tailored to suit Alaska, not trying to fit ourselves
21 into a mold that we never fit into very well. That's the
22 general thrust of the paper.

23 In order to provide the service and get the
24 planes in place that can do the job better than some of the
25 aircraft that are being used now, why, there would be a

1 protocol if the State were to finance such aircraft with
2 low interest loans, and that would be that the operator
3 would have to guarantee that they would stay in place and
4 serve that particular area and that he wouldn't pull them
5 out of service and send them off to Eastern Canada or
6 Nigiera or what have you every time it was a good charter
7 market somewhere else and use his old aircraft to serve the
8 bush, which we've had happen a lot of times.

9 So it's, you know, getting stability every
10 service that's critical. And service is terribly unstable
11 now. We just hired Evergreen to put a fleet into Western
12 Alaska so things are pretty good right now.

13 THE MODERATOR: Not really.

14 MR. PARKER: How long are they going to stay? Well,
15 they're better than they were a couple of weeks ago.

16 THE MODERATOR: We haven't had any mail in nine days.

17 MR. PARKER: Well, some things haven't changed. At
18 least the potential is there that you've got a better fleet
19 of aircraft than before they did that. But that contract
20 could be counseled by either party. Very short range. So
21 there's no stability in that particular service yet, nor is
22 there any stability anywhere else in the bush in the level
23 of service that's being provided.

24 Building new airports is only part of the answer.
25 Providing better communications is only part of the answer.

1 In the area of training somebody mentioned --
2 that is addressed in the paper and, yes, we've got to let
3 the 250 or so places that are served by bush air service,
4 why, ideally we're going to have somebody trained in each
5 place than can handle the radio equipment and provide a
6 certain level of maintenance there, field lighting, all of
7 those things. The personnel that mans the system are
8 always the key element. And the same way there's no reason
9 why we should continually import pilots from the other end
10 of North America to fly in rural Alaska. We've proved a
11 long time ago we can employ our own pilots adequately, and
12 it's one of the areas that we should be moving on to see
13 why we don't staff the airlines almost totally with people
14 who were born and raised in the country, because people
15 like the jobs. They're usually good-paying jobs. We've
16 had a lot of local people flying. It's just a matter of
17 doing more of it.

18 THE MODERATOR: Mr. Bradley, I believe, has a question.

19 MR. BRADLEY: Yes. Walt, doesn't your major concern --
20 it seems like -- stability -- doesn't that argue for public
21 ownership of the idea of Mr. Kocsis -- you know, to expand
22 on that. Maybe I should let Rob do that. But he was
23 arguing for some sort of centralized airport in various
24 regions over the State now listing a carrier system, owning
25 and managing, I guess charter airlines, and then going on

1 in some great cosmic idea of inter-polar flights to Hong
2 Kong and, you know, North Korea. But, you know, isn't the
3 public body the most stable, you know, because, of course,
4 that's our system?

5 MR. PARKER: Yes. If you will look at your service,
6 especially from the regional centers out to the villages,
7 it's just sort of an aerial transit system, why, in each
8 area you could just set up a transit district and operate
9 it as such, and this would be certainly a perfectly
10 feasible thing to do and well within the State regulations
11 and federal regulations. You would get into the same --
12 it's probably the only way -- you've got two ways you could
13 subsidize a system: You can either own it outright, as a
14 municipal bus system is owned and just take your losses, if
15 there are any, through the budgetary process, or you can
16 continue to use the bush operators and give them as much
17 help as possible to make them as efficient as possible.
18 But it's still that the fares and rates are too high to do
19 the job of providing economical air service to the bush,
20 why, you can actually subsidize the operation not by giving
21 the operator a fixed amount, but simply by subsidizing each
22 fare, each pound of freight with a certain amount or by a
23 certain percentage. So there's options by which the
24 problem with be approached as long as you've got the
25 objective that you want to have a lower fare level and

1 lower freight rates in the bush. Probably no matter how
2 well you do the job and how efficient you are, there's
3 going to be certain places where no amount of competition
4 or no improvement in the physical structure is going to be
5 able to get the price down. There's some places that you
6 just can't do that. So if you're going to apply universal
7 service principals the way we've historically done in
8 transportation in North America, why, you've got to spread
9 the costs somehow, and that means a government subsidy
10 somewhere in there. And, like I say, you can interject
11 that subsidy in different ways.

12 THE MODERATOR: Another gentleman has joined our group. --
13 Mr. Ackerman?

14 MR. ACKERMAN: I had one question on the air carriers
15 and the State offering airlines. I've talked to several
16 air taxi operators and one of their problems or what they
17 tell me is their rate of Workmen's Compensation insurance.
18 We've watched it -- we have just a barely adequate
19 Workmen's Compensation yet the carriers, I believe, pay a
20 50-percent rate for Workmen's Compensation. Isn't there
21 some way you could do something to help them offset their
22 Workmen's Comp rate? I believe that would eliminate a lot
23 of our air taxi operators because of that, that high overhead.
24 \$10 an hour for Workmen's Compensation. I don't want that
25 we should downgrade our superior Workmen's Compensation

1 because the air carriers can't afford to pay for it, and
2 that's what we're doing.

3 MR. PARKER: Yes, there's a whole range. Most of the
4 smaller were operators, were -- in a real cost squeeze the
5 past year with fuel prices, and that's one of the things
6 that's kept them from even considering new equipment. So
7 the economic liability in the small operators is in kind of
8 a state of siege right now throughout the State for many of
9 them. Some of them have their equipment paid for and where
10 the equipment is still adequate to do the job they are
11 making it all right. But anybody who's paying off new
12 equipment, unless he's got some really good contracts going,
13 is going to feel in a bind, some of our oldest operators.

14 MR. ACKERMAN: Have we looked at any way to offset the
15 high Workmen Compensation rates for the air Taxi operators?

16 MR. PARKER: I haven't got into that one, no.

17 MR. ACKERMAN: Like I say, I feel that they are
18 excessive. But I think our Workmen's Compensation bill as
19 a whole is barely adequate. I think if they keep
20 downgrading our Workmen's Compensation bill where the air
21 carriers couldn't afford to operate is really a step
22 backwards.

23 MR. PARKER: Yes I think that there's more positive
24 ways of approaching that one than downgrading Workmen's
25 Comp.

1 MR. ACKERMAN: I think it's something we really need
2 to look at.

3 THE MODERATOR: Mr. Pequero?

4 MR. PEGUERO: -- Si.

5 THE MODERATOR: Are you interested in maybe some input
6 in this conference with your input here?

7 MR. PEGUERO: Si. I'm a member of the public.

8 THE MODERATOR: Sir?

9 MR. PEGUERO: I am a member of the public. I am
10 interested in railroad -- in the railroad link from Canada
11 to Alaska and the freight.

12 THE MODERATOR: Thank you. We're just about to get
13 into that.

14 MR. BRADLEY: Mr. Dahl.

15 THE MODERATOR: Did you have a question, Mr. Dahl?

16 MR. DAHL: I'd like to hold it, Mr. Blodgett.

17 MR. PARKER: Mr. Chairman?

18 THE MODERATOR: Yes.

19 MR. PARKER: One point on the decentralization, which
20 has been a strong theme expressed here and one I'm in total
21 concurrence with, the decentralization of decision making.
22 It is possible to visualize transportation districts around
23 the State, especially in the unorganized world where you
24 could have a form for making those decisions locally, you
25 know, making strong decisions that wouldn't be overturned

1 easily administratively. And I think that needs to be
2 given some consideration. It's a step that keeps you from
3 having to go the whole route to an organized Borough in
4 some areas of the State, yet gives you some decision-making
5 power in an area that's very critical to all of the un
6 organized boroughs, so it's what I'd like to see pursued a
7 little bit.

8 THE MODERATOR: As my own experience in dealing with
9 the State on a State airport, federal airport, bush airport,
10 that the administrative procedures that have been
11 promulgated under the Administrative Procedures Act are
12 such that we're saddled with the same sophisticated rules
13 and regulations in the bush for development of the bush
14 airport as they are at Anchorage International airport, and
15 there are road blocks in our way.

16 MR. PARKER: Yes.

17 THE MODERATOR: And I saw it for a year in a lease to
18 build up an \$85,000 hangar. And then when they finally got
19 the lease, there were so many stipulations you couldn't
20 afford to build it. I mean, the process of building --
21 preparing to build on my own land and build my own airport
22 on my own land. That's how severe, how prohibitive.

23 MR. PARKER: Yes, I tried to make that point strongly
24 in the paper, that we don't fit that mold at that level of
25 airport, and we've got to break loose of it and the State's

1 got to show some leadership and strongly confront FAA and
2 get the necessary exemptions so we can tailor the system to
3 suit the bush airports and not try to mold them within the
4 sophisticated national system, you know, otherwise we're
5 just going to spend a lot of money to really achieve no
6 particular gains in transportation efficiency or safety or
7 anything else.

8 THE MODERATOR: Mr. Fisher.

9 MR. FISHER: A question which will lead into the
10 airport. At the present time it's my understanding that
11 the railroad owns the tugs on the Yukon River. And the
12 Yutana Barge operates them under some sort of operating
13 contract. Wouldn't that be possible or some general
14 approach like that be possible for the bush airport to have
15 the State own the aircraft and lease to individual
16 operators in the State? Now, I don't know how you're going
17 to carry that out except that that would put new equipment
18 where presumably it was needed. And my follow-up question
19 to that: Weren't we going to be into something comparable
20 to that involving any extension of railroad from the
21 present, if it's an add-on to the Alaska Railroad or if
22 it's a buy-out of the Alaska Railroad and a restocking of
23 the operating equipment on the Alaska Railroad by the State?

24 THE MODERATOR: Couldn't we do that with the Marine
25 Highway system also?

1 MR. FISHER: What?

2 THE MODERATOR: Couldn't we do that with the Marine
3 Highway system as well?

4 MR. FISHER: Yeah, if we could. I think we could do
5 it on a river highway system equipment for ferry. But then
6 that's my opinion. I was just asking the question about,
7 one, the airport, the airport and then you could go into
8 the railroad.

9 MR. PARKER: Yeah. You know, that's another
10 alternative way of handling it. Certainly it's one that's
11 been done in many other areas. And whether the State just
12 buys the equipment outright and leases it or whether it
13 does it through long-term low-interest loans, why, I think
14 the net effect winds up the same. You spread your
15 operating costs over a long enough period on the aircraft
16 acquisitions so that you're not faced with these peak fares
17 and prices. And what you're doing is using the strong
18 capital position that the State is in right now to its
19 maximum advantage in a transportation sense. People who
20 don't have the money can't do that, but the State obviously
21 does have the money and we find them in a position to
22 exercise control over the situation.

23 THE MODERATOR: Yes?

24 MR. KOCSIS: Mr. Chairman, I'm terribly to sorry to
25 announce there's a problem with the room. The hotel has

1 just advised us that we need to be out of the this room at
2 five o'clock. It's after that now. I hate to break this
3 up. Mr. Swanson is here, and I know you want to hear about
4 it. Is there a possibility that we could take him first
5 thing in the morning, Mr. Chairman, if that's on your
6 schedule?

7 MR. SWANSON: I'm not sure what's going to happen in
8 the committee we just left. There was some opposition to
9 me putting a map on and showing the people what the total
10 transportation system problem is.

11 MR. KOCISIS: We want that.

12 MR. SWANSON: Unless they disagree over there, I would
13 be just delighted to come into your committee, put the map
14 on the wall and give you a brief overlay of history of what
15 we've done in the past. Where we're going in the future is
16 going to be up to the recommendations of you people. But
17 I'm sure with that type of a map on the wall I will be able
18 to show you what transportation systems not system -- but
19 systems means in the future of Alaska. If we're talking
20 about down, right -- right down to gut economics now. And
21 the number one priority in the State today is conservation
22 in energy, all over the nation, in fact, all over the world.
23 With that map it might sound kind of far fetched to you,
24 but I can show you what we're talking about in the Future
25 Frontiers of Alaska in systems including the railroad

1 connection. I would be happy to do that. I probably could --
2 my recommendations are already in the book, so I won't make
3 those. But I think that for the information of this group
4 it would really be enlightening. It would help you in your
5 deliberations. So if I can come --

6 THE MODERATOR: We're being evicted, Mr. Swanson.
7 They surely have some responsibility to this conference to
8 provide another room facility.

9 MR. KOCSIS: They didn't, Mr. Chairman.

10 MS. BENNETT: How can she cut us off with an hour of
11 deliberation time? It's absurd. They can.

12 THE MODERATOR: We have a good working group here.
13 We're making good progress.

14 MR. KOCSIS: Mr. Chairman, I'm totally in agreement.
15 I told Mr. Hohman it was a shame to cut us off. You know,
16 I'm sorry. The hotel is very firm about it.

17 MR. BRADLEY: Are there any alternatives?

18 MR. DAHL: Could we go to the ballroom? It's being set
19 up for supper?

20 MR. KOCSIS: Let's go in the corner of the ballroom.
21 Come on.

22 (A recess was taken.)

23 THE MODERATOR: Did anybody else have any questions in
24 the area of transportation and Mr. Parker that relates to
25 his paper?

1 (No response.)

2 Then I can only assume we're now ready to receive
3 a presentation from Red Swanson.

4 MR. SWANSON: I'll do the best I can.

5 THE MODERATOR: Please identify yourself for the
6 record.

7 MR. SWANSON: I am Red Swanson, and I was invited to
8 write a paper on rail connections. And if you have read
9 the rail report, it has a history of what we have done up
10 to date, why we started, and my recommendations of where we
11 should go, where I think we should go in the future. But
12 for the information of your committee, I might just point
13 out that when you look at the map in the book, you find
14 that the map is flat. But on the globe that's just about
15 the way Alaska sets.

16 Taking transportation costs in this day and age
17 and particularly in this point in time the most important
18 thing is conservation of energy. And that is the basis,
19 the economic base, for the recommendations that I made in
20 my paper.

21 I'd just like to talk a little bit about what
22 happens in Alaska with a railroad connection, what it means
23 not only to Anchorage and Fairbanks but what it means to
24 Savonga, anywhere on the Seward Peninsula, to Barrow to
25 Kuskokwim and all of those areas. You talk about a

1 transportation system and you talk about transportation
2 systems, which means railroads, highways, water, ferry
3 system and airways.

4 I'm going to go just briefly into our work that
5 we have done in the legislature and the studies that we
6 have made tell us these things. The cost of freight to
7 Seattle from anywhere east of the Missouri River is the
8 same as it is to Prince Rupert, is the same cost identical.
9 Now, the connection between Canada and Alaska and the lower
10 freight -- this system here is British Columbia, and they
11 have got as far as almost to East Lake with the new
12 connection. It became empowered in a political thing and
13 the stopped right there. But the point I want to make to
14 you is that the freight rate in Seattle, if we didn't go to
15 Prince Rupert, would be right here. (Indicating.) And how
16 close is that to Alaska? In our studies that we've been
17 able to do in preliminary work the cost of bringing
18 anything east of the Missouri River is somewhere between 24
19 and 29 percent cheaper to come up this railroad using the
20 cost that we had at the time we did the feasibility study
21 of \$800,000, is from 24 to 29 percent cheaper than if you
22 came through Seattle and went up this way. (Indicating.)

23 You have to bear in mind we're talking about now
24 conservation saving and saving to the people. If we
25 ordered a Cat, a Caterpillar in Champagne, Illinois, going

1 from Seattle to Anchorage or Fairbanks, we're talking about
2 at the very best a month to five weeks. If we put that
3 same Caterpillar on the railroad and took it off at
4 Anchorage and Fairbanks, we're talking about ten days to,
5 at the very most, three weeks. We would handle that piece
6 of machinery three times going this route where we only
7 handle it once going the railroad connection.

8 If you'll look at the future of what we're going
9 to do in Alaska some day, be it this year or next year or
10 the year after. But that secondary transportation system
11 totally takes us out of the domination of the City of
12 Seattle.

13 Now, those are just things that map will tell you,
14 that we've been a stepchild of the State of Seattle, and
15 the state of Washington forever and ever and ever.

16 I listened to a discussion a while ago, and we
17 were talking about -- they wanted some roads down on the
18 Kuskokwim River. No one really liked the idea of railroads.
19 But I must connect systems into this thing. If we were
20 going to do -- if we did the railroad somewhere in here,
21 we'd take off of there with an air flight into that area.
22 It would be a saving to the smallest village in the entire --
23 of all of the State. There isn't any way to dispel the
24 economic possibility that we have in that rail connection,
25 that system I should call it.

1 We talked a long time ago about the road to Nome.
2 We talked about the road from down the Cosna Peninsula and
3 that down up through Bristol Bay, into McGrath and Akularak
4 Pass. Now those recommendations were made by legislators
5 somewhere down in the past, come to the legislature, make a
6 recommendation, do a feasibility study with the Department
7 of Highways at the time because we need a road. We have to
8 get in and out of here. Those don't come from the
9 Department of Transportation. Those things come from your
10 representatives and your senators. So maybe I'm
11 instituting a little bit of politics into this thing, but
12 facts are facts, and this is the way we arrive at these
13 things. The White pass in Yukon, which is this little bit
14 of a railroad here -- (Indicating.) We're in serious
15 trouble. The Canadian government within the last month
16 told them that they were going to help them finance that
17 railroad, which is a private enterprise, to put it into the
18 biggest -- one of the biggest mineral deposits in the Yukon
19 Territory to keep that railroad going. And you realize now
20 that -- you realize from the map here that that is the
21 connection to this railroad here when and if it gets built.
22 This represents the oil pipeline. (Indicating.) This was
23 one of the proposed oil pipelines, and I had it on the map
24 just at that time just to show people

25 And this was the proposed road. It went to the

1 north slope on the railroad. (Indicating.) I put them on
2 there just so you'd be able to see them.

3 Now, there's another aspect of this, that we're
4 looking at today It's a thousand miles closer to anywhere
5 in the east or the midwest by going down this route than it
6 is coming out of here, Japan and the Far east, than it is
7 to go through Seattle. It's a thousand miles. Now, when
8 we did our studies in our conversations with Japanese and
9 Korean people, that if we did this, if this was done, how
10 much freight would go into the Midwest, into the Midwest
11 and the Southwestern markets. Yes, we'll do that because
12 we ordinarily have to go clear down around through the
13 Panama Canal. That would be really -- our conversations
14 there were personal conversations you have with people
15 representing industry. They said, yes, we could go this
16 route. And it would certainly be feasible to us.

17 When you look at Alaska and you see the potential
18 some day of all the things that we'll do -- and we're just
19 getting into the agriculture bit -- this area, this area,
20 this area, this area -- and they are are talking -- some of
21 the people are talking that farms down on the Kuskokwim
22 River -- all of that is important to our economic future in
23 a renegotiable resource. I know how, Bob, that you're
24 anxious to get out of here.

25 THE MODERATOR: No, no --

1 MR. SWANSON: I probably should just go to questions
2 and answers, if I can do my best to answer.

3 THE MODERATOR: I think so, because we only have a
4 half hour.

5 MR. SWANSON: Okay

6 MR. FISHER: I've got a question.

7 THE MODERATOR: Mr. Fisher.

8 MR. FISHER: Red, do you have the figures on the
9 comparative fuel requirements between railroad, truck --
10 air freight? How many BTU miles? How many BTU ton miles?

11 MR. SWANSON: Two years ago, we did a cost -- energy
12 cost ratio, railroads, trucks, airlines, and railroads come
13 out far the best. Five to one is on truck transportation.
14 Airlines -- there is to comparison.

15 THE MODERATOR: Any other questions? Anybody --

16 MR. PARKER: Red, do we have any existing treatise
17 with Canada that would govern the rates where they would
18 respect any rates that were just on through freight?

19 MR. SWANSON: I'll have to take it like this, Walt.
20 We -- to go back into the politics that I mentioned just
21 briefly, we were coming here on the railroad. There were
22 two large mineral deposits. The Yukon people said, "We
23 better stop here. We don't want you coming here because
24 we're not going to pay for your railroad."

25 Then when we really got to looking at it with the

1 Canadian people at the conference of which you were a
2 member Mr. Bradley can enlighten your committee on this
3 real well, the results on that conference was that we
4 finally had an idea that would work because then all people --
5 British Columbia, Yukon and Alaska -- would share in that
6 railroad transportation. It put us in a category then of a
7 position that will -- we found out from our studies was
8 that Alaska was far behind either British Columbia or the
9 Yukon government and we had to do the catch-up with the
10 survey that we just finished in the last couple of months
11 and the books are out now -- and the service is now --
12 Alaska is now on par with the Canadian government. The
13 recommendation was made by Mr. Henderson, the Director of
14 Transportation Systems for Canada, that when we caught up
15 that one of the next steps was to form an international
16 group of people that was pertinent, and the British
17 Columbia and the Yukon government and our Alaska government
18 and Washington, D.C. to come up with just exactly what you
19 asked, where were we going to go? How are we going to do
20 the international rate structure? How are we going to set
21 all the wheels in motion? What is our government is going
22 to do? Because these are always government railroads.
23 What are we going to do to make this thing -- to put the
24 thing together? That will be the next step. One of the
25 next steps. There's three.

1 THE MODERATOR: Yes.

2 MR. PECUERO: I think that it will be more easier than
3 the bundle up of the Alaska -- the gas pipeline because the
4 people in both area will benefit more direct then. I think
5 that because of that reason will be much more easier, you
6 know, the relationship to get the railroad through.

7 THE MODERATOR: Mr. Bradley.

8 MR. BRADLEY: Mr. Chairman, I'd like to ask Mr.
9 Swanson to elaborate on the steps.

10 You mentioned three critical steps that the State
11 needed to undertake. What are those points?

12 MR. SWANSON: Well, of the things that we did after
13 the conference and the recommendations made at that time --
14 we have done the first preliminary study, we did the second
15 preliminary study, which was the survey of the third
16 preliminary work -- the next step is the cost benefit
17 analysis study for the construction of this road.

18 (Indicating.)

19 Now, when you do that, the Yukon government and
20 the British Columbia government have volunteered to us that
21 they would supply to us all of the information that they
22 have compiled over the years on this rail connection. And
23 in my briefcase I have 15 different studies that they would
24 compile that information from as to help us when we do a
25 cost analysis study.

1 THE MODERATOR: Is that a centerline survey for the
2 road map?

3 MR. SWANSON: Yes, sir.

4 THE MODERATOR: It's a recommended -- well, I have to
5 tell you there were some areas -- some areas right in here
6 that they put the line, from the aerial photography they
7 settled the line. There was some objection to crossing
8 some of the areas so they just crow-hopped it over.

9 Now, there's another point in here that you must
10 realize that's probably pertinent at this time, that when
11 the Alaska Railroad was built the Congress delegated the
12 power to the President of the United States to build a
13 thousand miles of railroad in Alaska. Now, 400 some odd
14 miles have been built. So actually the President of the
15 United States, because this is a federal railroad has the
16 power tomorrow, if he so desires, to declare that a
17 corridor. Now, I was one of the people that pushed this
18 real hard. Now, we spent over a million dollars so far on
19 what we've done here. But I felt that the State of Alaska
20 was showing Washington good faith, that we just didn't want
21 another hand-out, that we thought we had a good project,
22 one that would be adapted and help the State of Alaska.
23 And that was received well in Washington because the State
24 of Alaska had gone on their own and did this.
25 (Indicating.)

1 THE MODERATOR: Yes, Mr. Hickey.

2 MR. HICKEY: Red, I'm just curious in your opinion
3 what relationship between potential tonnage cost economics
4 and the D-2 classifications that we face, particularly
5 restrictive ones, and our access into those resource
6 potential to carry. Thoughts on that.

7 MR. SWANSON: The economics of the railroad -- It's a
8 question I can't answer here because I don't know what's
9 going to be in the D-2. So far we don't cross a restricted
10 area in that railroad connection. Now, whether or not the
11 D-2 will close off all of the Wrangell Mountains,
12 everything in Eagle, all of the potential in McKinley Park,
13 all of the potential in the Kobuk Valley, all the potential
14 in the Brooks Range, all the potential down the Kuskokwim
15 and the Yukon -- if it close -- they close it all off, then
16 only, and again only that study, the economic feasibility,
17 will tell us whether or not that we are going to exist
18 under all of those restrictions, whether or not that
19 railroad would be viable. I can tell you this and tell you
20 just straight, that in my work in talking and working with
21 people that at one time about two years ago I had been
22 requested to write a formal letter to the President of the
23 United States asking him to declare that Corridor because
24 we were that close to the Federal Government -- I mean and
25 really taking an in-depth look at that possibility. And

1 that letter would have triggered the many things. But at
2 that point in time pressure came in on the D-2 and they
3 just set it aside.

4 THE MODERATOR: Yes, Mr. Ackerman.

5 MR. ACKERMAN: What were those two lines that come up
6 on the upper right-hand side of the map? What do those
7 represent?

8 MR. SWANSON: Here? That represented one time a
9 possibility of a pipeline. And I put them on the map at
10 that time just to show the people what that route was for
11 the pipeline.

12 MR. ACKERMAN: That's not a railroad.

13 MR. SWAN: It could be cleared off the map, and I'll
14 probably take it off. This is the old original map. And
15 I'm going to say a little thing here: If some of the
16 members of this committee would like to take pen in hand
17 and come up here and sign their name somewhere, I'd be
18 happy for you to do it, because there are many signatures
19 on that map.

20 THE MODERATOR: Mr. Bradley.

21 MR. BRADLEY: I just wanted to ask Mr. Swanson what's
22 the time frame of this cost benefit analysis?

23 MR. SWANSON: Well, with the information we have now
24 and with the two governments, Kuskokwim and Yukon, having
25 the information we already have, I would stay five months,

1 well within five months.

2 MR. BRADLEY: So time-frame-wise it would be submitted
3 to --

4 MR. SWANSON: The next legislature.

5 THE MODERATOR: Mr. Jacobson, do you have any input?

6 MR. JACOBSON: Not at this time, no.

7 THE MODERATOR: Miss Bennett? Mr. Borodkin?

8 MR. BORODKIN: I was going to ask him about D-2. He
9 explained that part.

10 THE MODERATOR: Sir? I had a question, but I --

11 Your name, please?

12 MR. GOLDSTEIN: I came in late, and I apologize if
13 this has been covered already. But when I read your
14 article last night in the book here, you mentioned, as a
15 matter of fact -- can I borrow this for one second?

16 MR. BORODKIN: Yes.

17 MR. GOLDSTEIN: That you could not say definitely.
18 Well, let's see if I can find it -- where -- whether or not
19 this would be economically -- an economically viable
20 prospect.

21 MR. SWANSON: All of the indication is -- I just said
22 it a while ago.

23 MR. GOLDSTEIN: Sorry.

24 MR. SWANSON: Until we do a cost benefit analysis
25 study -- again, until we know now, we can do the cost

1 benefit analysis study of building that railroad because
2 now we know where it can go we know the terrain, we I know
3 how many bridges we're going to build. We can do the cost
4 per mile of that railroad. Then the feasibility, the
5 economics of the thing will hinge on how much freight we do.

6 I want to tell you an interesting thing. Now,
7 people will tell you that after the pipeline boom we didn't
8 haul things on the Alaska Railroad much. But this last
9 year in my paper, the figures I have, our tonnage has gone
10 up on an average for the last 12 years, has gone up every
11 year, every year, every year. You have to know something
12 about the bookkeeping type of things that they do with a
13 federal railroad. They say we're going to allot 20 million
14 or 10 million and anything it's growing to cost will be
15 over that. They don't tell you how much they took. But
16 they will tell you how much tons they've hauled. Now, our
17 preliminary study that we did in Alaska, which was the
18 small study, we only could use figures, that railroad would
19 have been just nip and tuck in Alaska.

20 THE MODERATOR: Mrs. Alexie, do you have any input?

21 MR. ALEXIE: No.

22 THE MODERATOR: Mr. Dahl?

23 MR. DAHL: No.

24 MR. SWANSON: I'd like to stress, Bob, before I quit
25 that this is not a system by itself. This is the keys to

1 all the successful systems in this state. It's really the
2 key and the help to your transportation, air transportation
3 to the bush. It's really important.

4 THE MODERATOR: Thank you. Mrs. Burnett?

5 MS. BURNETT: No.

6 THE MODERATOR: Mr. Anasogak?

7 MS. ANASOGAK: No.

8 THE MODERATOR: Well, have I cinders in my eyes, Red?

9 MR. SWANSON: Well, I'd like to thank the people for
10 the attendance. I appreciate real deeply you folks
11 listening to me. I have to say this, Bob. I don't take
12 anything from the State. I never have in all of my years.
13 I am not there to take. I have gone to give. And this is
14 a project that deeply feel that is essential and necessary
15 for the State of Alaska and its well-being. Thank you, Bob.

16 THE MODERATOR: Thank you very much. Thank you very
17 much.

18 I think that in all fairness to these ladies here
19 that are setting up that we probably should recess this
20 Alpha Committee until in the morning. And we are,
21 according to the schedule, we are to reconvene tomorrow
22 morning at 8:30 a.m. Let's see. The delegate assembly are
23 to reconvene at 8:30 a.m. in the Howard Rock Ballroom right
24 here. And then at 9 a.m. we'll continue our work group and
25 Alpha group will be in Room 311. Thank you very much.

1 MR. KOCSIS: If you have recommendations, we'll try to
2 get the transcript and get some recommendations for you out
3 of that. But if you have individual recommendations you
4 want the group to consider, if you'll write them down and
5 get them to me in the morning, we'll process and get them
6 in a form for the whole group to consider. So please feel
7 free to do that, any recommendations on anything you've
8 considered so far. I'd appreciate any thoughts you have.

9 (Whereupon, at six o'clock p.m. the proceedings
10 were adjourned.)

11 *****