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May, 1986

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS date base CM 14. In order to save space copies of minutes have not been left in the files.

Jeanie Henry

SENATE RESOURCES COMMITTEE, 5/9/85, 3:00

Alaska State Legislature

Representative John Ringstad
District 20-B
P.O. Box 1848
Fairbanks, Alaska 99707
(907) 456-8336



HB 256
Bottom Answer
APR 12 1985

While in Juneau
Pouch V
Juneau, Alaska 99811
(907) 465-4998

House of Representatives

MEMORANDUM

TO: Senator Arliss Sturgulewski

FROM: Rep. John Ringstad *JR*

DATE: April 13, 1985

RE: HB 256, An act relating to economic development policy

Attached are materials in support of HB 256. You will find my written comments, letters of support from the Resources Development Council, Fairbanks North Star Borough, and Alaska Miners Assoc. In addition other organizations in support of HB 256 are: Alaska Conference of Mayors, Alaska Municipal League, Western Alaska Building and Construction Trade Council, Alaska State Chamber of Commerce, Anchorage Convention & Visitors Bureau, and the Fairbanks Chapter of the Society of Professional Engineers.

Also included is a summary of a December '84 poll by Alaska Construction & Oil on Alaskan business attitudes. This reflects that 74% of Alaskan business people believe that the state discourages responsible development through its policies and regulations. Further emphasizing the need for economic development are some recent newspaper articles.

As the Legislature is running short on time, and in the interest of HB 256 being given ample opportunity to pass this session, I requested Senator Zharoff, Chair of Senate Labor and Commerce Committee to waive HB 256. Thus allowing hearings to take place in one Senate committee only, that being the Senate Resources Committee.

I look forward to working with you on this important policy issue.

Alaska State Legislature

Representative John Ringstad
District 20-B
P.O. Box 1848
Fairbanks, Alaska 99707
(907) 456-8336



While in Juneau
Pouch V
Juneau, Alaska 99811
(907) 465-4998

House of Representatives

HB 256, an act establishing the economic development policy of the state, is a general policy statement, addressing the need for a stable, diversified economic base, and declaring Alaska's commitment to foster such development through the state's cooperation with the private sector.

Alaska sorely lacks an economic development policy.

This fact has hit us hard, with the sudden decline in revenues we are currently facing. It had been anticipated, that by the time the oil revenue dollars started falling off, Alaska would be well on the road to a stable, diversified economy. The oil revenues are now on the decline, and looking at the world-wide market situation and pricing structure for oil, this is a long-term situation.

HB 256 reflects Alaska's need and desire to further its economic viability. This confirmation is a long-term commitment towards the goal of diversifying our economy, thus creating more jobs for the citizens of this great state, and allowing them the opportunity to continue to make Alaska their home. Further, HB 256 will serve as a signal to domestic and foreign businesses of our commitment to economic development.

Passage of HB 256 will confirm this intent. This legislation is a general policy statement and is not intended to favor any industry or project.

I've been asked about the need for this legislation as a statute rather than a resolve. Billy Berrier, Director of Legal Services, has stated that a resolve does not have the weight or intent that a statute carries. Further, the intent of a resolution only holds for a particular Legislature. Our goal must be a long-term, continuous commitment to develop Alaska's economy.

I ask for your support, and thank you for your consideration of HB 256.



Fairbanks North Star Borough

Mayor: B.B. Allen

February 12, 1985

FEB 19 1985

Representative John Ringstad
Alaska State Legislature
Pouch V
Juneau AK 99811

Dear John:

Based on the advice of several people including Harold Heinze, President, ARCO Alaska, Inc., Bob Bettisworth, Dr. Earl Beistline, Dr. William Wood and others, we have formed a statewide Resource Policy Coalition to address the needs of resource development throughout our state.

At our initial meeting, the first resolution we adopted was a policy statement on economic development. I would like for you and other members of the interior delegation to review the policy statement in hopes that you will do whatever is necessary to establish this as a statement of the State of Alaska's policy on economic development.

This policy statement on economic development has been supported by the Alaska Municipal League, Alaska Conference of Mayors, Fairbanks North Star Borough, Greater Fairbanks Chamber of Commerce, City of Seward, Alaska Mining Association and several others. I think it is important that members of the interior delegation, representing the area where most of the resources are located, provide the leadership by introducing and supporting the resolution for the development and processing of those natural resources.

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

Sincerely yours,

A handwritten signature in cursive script that reads "Bill".

B.B. ALLEN
Borough Mayor

BBA:al

enclosure



Resource Development Council for Alaska, Inc.

807 "G" Street, Suite 200, Anchorage, Alaska 99501-3440
Box 100516, Anchorage, Alaska 99510-0516 - 907/276-0700

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Paula P. Easley

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Governor Bill Sheffield

March 5, 1985

MAR 12 1985

Representative John Ringstad
Pouch V
Juneau, AK 99811

Dear John:

We are so pleased to see HB 256 introduced with you as sponsor. This is an important bill for the state of Alaska and the Resource Development Council. Your sponsorship is significant and is creating support for the bill by those who know you and your record.

We and others have been pushing for this sort of state economic development policy for several years. With this bill Alaska can have the statutory guidelines for economic development envisioned in our constitution.

I am aware that HB 256 is tentatively scheduled to be heard in House Resources March 20. You can be sure that the Resource Development Council will have testimony prepared to support this bill and encourage its timely passage in the House.

Please let us know if there is any background or related information we can provide to aid its passage.

Thank you again for your support.

Sincerely,

RESOURCE DEVELOPMENT COUNCIL
for Alaska, Inc.

Paula Easley
Paula P. Easley
Executive Director

cc: Michael Abbott, RDC Legislative Coordinator



ALASKA MINERS ASSOCIATION, INC.

509 W. Third Ave., Suite 17, Anchorage, Alaska 99501 (907) 276-0347

March 13, 1985

MAR 19 1985

The Honorable Ben Grussendorf
Speaker of the House
ALASKA STATE LEGISLATURE
Pouch V (MS 3100)
Juneau, Alaska 99811

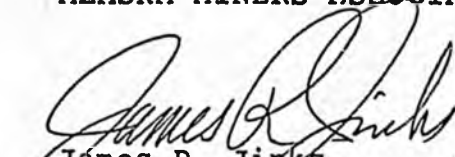
Dear Speaker Grussendorf:

The Alaska Miners Association appreciates the efforts of you and the other sponsors of House Bill No. 256 establishing an economic development policy for the state. We want to thank you, and the other sponsors, and inform you of our total support of HB 256 in its present form (see attached).

We have long supported the adoption of such a policy and continue to do so.

Sincerely,

ALASKA MINERS ASSOCIATION


James R. Jinks
Executive Director

Enclosure

cc: Ringstad
Adams
Cato
Frank
Larson
M.W. Miller
Perce
Rieger
Shultz
Sund
Taylor
Uehling
Hanley
Jenkins

Editorial Opinion and Comment of

FAIRBANKS

Daily News - Miner

"Independent in All Things . . . Neutral in None"

Other opinions expressed on this page do not necessarily reflect those of the Daily News-Miner.

A strategy for the future

Alaskans concerned about resource development have been meeting in Anchorage this week to discuss a strategy for the future. The occasion was a conference sponsored by the Resource Development Council, and the agenda was packed with representatives of government and industry.

It's that mix of government and industry that Alaska must tend to if we are to meet our goals of economic development and diversification.

Though the private sector usually operates best with a minimum of government involvement, the high percentage of government-owned land in Alaska necessitates close cooperation from all three levels of government—federal, state and local.

Most of the industries Alaska hopes to encourage—mining, agriculture, fishing, natural gas, petrochemicals—can't be developed unless land is made available and access is provided. That's where governments come in, for private land owners in Alaska continue to hold only a small share of the land, even when Native corporation land holdings are included in the reckoning.

Economic development is not an easy job for our state. For though we're blessed with abundant natural resources that can serve as the foundation of such efforts, we're seeking to balance their development with an appreciation of the natural beauty of our land and of the resources such as fish and wildlife for which natural habitat is critical.

What we can accomplish depends to a large extent upon the attitude of Alaskans. Our state has a high level of citizen involvement in decision-making and it is possible for a few people to influence major decisions.

What we must seek, then, is a recognition that Alaska cannot long afford the luxury of our diverse lifestyles if our economy does not remain strong. Nor will we be able to provide the amenities we've come to enjoy if we do not diversify our state revenue sources.

By recognizing the complexity of the economic development job, Alaskans should be able to plan a strategy that will protect our land and at the same time develop our resources. It will take planning and foresight, but it's not a job to shirk.

THE AftI-DITTMAN POLL

of Alaska business leaders

The AftI-Dittman Poll is a regular monthly feature of Alaska Construction & Oil and Alaska Analysts/Dittman Research. Each month several hundred Alaska businessmen and businesswomen are contacted and asked their opinions on questions of statewide importance. The statewide totals are combined and published in the weekly business newsletter Alaska from the Inside (AftI) and in Alaska Construction & Oil. The respondents included in the sample are representative of their fields of activity and are located throughout the state.

QUESTION

"Overall, do you feel state government regulations and policies are most likely to encourage or discourage well-planned, responsible resource development?"

RESULTS

	Encourage	Discourage	Undecided
Construction and Timber	22%	78%	—
Petroleum and Mining	13%	85%	2%
Finance and Services	42%	56%	2%
TOTAL	24%	74%	2%

ANALYSIS

Nearly three-quarters (74%) of Alaska's business leaders interviewed in November feel state government regulations and policies *discourage* well-planned and responsible resource development.

The percentage of respondents agreeing varies widely by industry. Petroleum and Mining respondents are the most adamant, with 85% answering "discourage."

A review of the respondents' comments offered during the poll shows that the Alaska Department of Fish and Game was the most frequently mentioned example of a state agency that discourages resource development. The comments also indicated two main reasons for respondents' concern about government policies:

- (1) It is difficult to justify the expense and time required to design a well-planned development and take it through the permitting process when the likelihood of success is always in doubt.
- (2) The state employees who work in regulatory agencies are more likely to have regulatory ("protective") mentalities which may blind them to the benefits of resource development.

COMMENTS

"Mainly in the permit area — the Department of Fish and Game stops more projects than any agency. They are always on the side of the Sierra Club and SEACC. *No development* is their policy."

"It took 16 years to get a water-use permit for mining and I have a coal prospecting permit application that is nine years old and still pending."

"The tendency in state government is to over-regulate. There can only be one result of that tendency — operating costs are increased both by the requirements for compliance and the cost of processing paper."

"It takes too much time and effort to get permission for access. It discourages people before they even start."

"Regulations are built around a negative attitude."

"Definitely encouraged — a marked improvement noted in both words and deeds!"

"Until the Department of Fish and Game is restricted from making unilateral and arbitrary decisions concerning resource development, we will be unable to encourage development no matter how well-planned and responsible!"

CALENDAR

ENERGY-SOURCES TECHNOLOGY CONFERENCE & EXHIBITION — Sponsored by the American Society of Mechanical Engineers at Loews Anatole Hotel, Dallas, TX, (214) 247-1747, Feb. 17-22.

TRAINING SESSIONS ON DRILLING AND BLASTING TECHNIQUES — Explosives Services Corp. of Issaquah, Wash., (206) 392-7112, is conducting a five-day training session on drilling and blasting techniques in Kelchikan, Feb. 18-Feb. 22; and in Anchorage, Feb. 25-March 1.

INTRODUCTION TO MICROCOMPUTERS — A short course presented by the Society of Mining Engineers of the American Institute of Mining, Metallurgical and Petroleum Engineers, Hilton Hotel, New York, NY, (303) 973-9550, Feb. 23-24.

FINANCE FOR THE MINERALS INDUSTRY — A symposium that is part of the annual meeting events for the Society of Mining Engineers of the American Institute of Mining, Metallurgical and Petroleum Engineers; Hilton Hotel, New York, NY, (303) 973-9550, Feb. 24-28.

STATE OIL AND GAS LEASE SALE NO. 46A — Anchorage Westward Hilton Hotel, Anchorage, Feb. 26.

AGC 66TH ANNUAL CONVENTION/CONSTRUCTOR EXPOSITION — The Associated General Contractors of America 1985 convention, San Francisco, CA, Feb. 27-March 5.

ALASKA SUPPORT INDUSTRY ALLIANCE — Conference on marginal oil field development, Captain Cook Hotel, Anchorage, March 2.

FOURTH ANNUAL ALASKA CONSTRUCTION SUPPLY AND EQUIPMENT SHOW — Exhibits and technical sessions, Sullivan Arena, Anchorage, (907) 346-2424, March 21-22.

ARCTIC '85: CIVIL ENGINEERING IN THE ARCTIC OFFSHORE — A national specialty conference of the American Society of Civil Engineers at the Sheraton Palace Hotel, San Francisco, CA, (713) 772-0876, March 25-27.

34TH ANNUAL VEHICLE MAINTENANCE/MANAGEMENT CONFERENCE — Sponsored by the University of Washington, College of Engineering, at Kane Hall, Seattle, WA, (206) 543-5539, March 25-28.

ALASKA TRANSPORTATION FORUM — University of Alaska-Fairbanks, April 15-16.

CABLE HARVEST TECHNIQUES — Holiday Inn-Downtown, Spokane, WA, (509) 838-6101, April 15-19.



United Way
of King County

Thanks to you.

Revenue projections provide sobering truth

At the opening session of last week's informative and stimulating conference on "Alaska's Economic Priorities" at the Sheraton/Anchorage, Fairbanks attorney Mary Nordale, well-known attorney and now state commissioner of revenue, presented a most enlightening and encouraging summary of Alaska's "Petroleum Revenue, Production and Price Projections."

Such projections, however sophisticated the analysis of pertinent data available, of necessity are based upon assumptions, probabilities, and, in some parts, sheer guesswork. They offer, however, the best guidelines to thoughtful action we have.

The Alaska oil revenue projections are trending downward from a peak, as is inevitable in the production scenario of anything on a gigantic scale, have been featured recently in the press and media as gloom and doom forecasts. They are not. On the contrary, the wringing of hands and the wailing from the wigwams of the mighty have been depressing evidence merely that we among us love to be dependent. Viewed in the perspective of what is B.O.P. (Before Oil Production), the current state revenue projections for the year 2000 and beyond are neither bleak nor hopelessly discouraging, sobering, yes. This, of course, all resi-

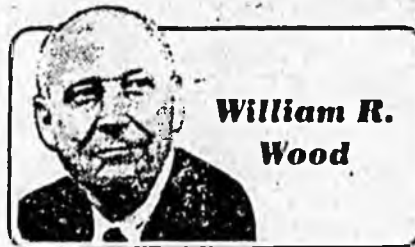
dents of Alaska should find comforting and enormously encouraging. At last, a return to common sense fiscal behavior is in prospect.

In summary, the Nordale projections remind us that in 1975 the state's "General Fund Unrestricted Revenues" were about \$333 million. This more than doubled the very next year.

The flood of North Slope oil dollars continued to swell to \$2.5 billion by 1980—nearly an eight-fold increase in five years! The gusher crested at \$4.1 billion two years later and has gradually tapered downward since. In 1985 the General Fund Unrestricted Revenues are estimated to reach a total of \$3.3 billion. A ten-fold increase in one decade, 1975-1985, Wow! Remember how it was in 1960? About \$30 million total, or one hundred times smaller!

No wonder Alaska went on a spending spree, led by the Legislature and the administration eager to catch up on capital needs and services desired to enhance the good life as they saw it throughout the state. Let's not forget they were responding to pressure at home. All of us were more or less active in the "gimme" posture, both hands outstretched and pleading, "More! More!"

What really got out of hand was the bureaucracy, not just in government,



William R. Wood

Views expressed here do not necessarily represent those of the Daily News-Miner

but in the industrial, commercial, financial, educational, and labor arenas as well. The phenomenon of over-indulgence permeated every corner of Alaska. It has been particularly devastating to Alaska's future prospects in the over-staffing of regulatory activities and paperwork impositions. This has been far too costly for the residents to afford since the zeal to achieve the last measure of perfection for one cause or another has ranged far beyond the realm of reason and common sense.

Fortunately, there is the Permanent Fund acting as a safety valve of sorts to keep the whole barrel from running dry. It didn't exist until 1977. Now in 1985 the annual earnings from this savings account are over \$600 million. In the next 10 years it is estimated that the Permanent Fund will be earning about \$1.5 billion and will

approach \$2.5 billion annually by the turn of the century, just 15 years from now. That amount combined with an estimated \$2.2 billion from oil and other sources, such as mining, fishing, timber harvest, tourism, and agriculture, would bring the General Fund Unrestricted Revenues to nearly \$5 billion for state spending in the year 2000. Moreover, by that time the Permanent Fund itself would be something over \$20 billion.

Not too shabby a prospect for Alaska, even should the population double by then to one million residents. All such projections, of course, are tempered by change, both the predictable and the unforeseen.

The alarm over necessary spending cuts this session at the state level may be a blessing in disguise. Spending restraints are clearly overdue. There could be substantial reductions in government regulatory and administrative operations even if revenues were rising instead of falling. A greater depth of prudence should prevail in selecting for funding capital improvement projects in the statewide "catch-up" and "Reach for Excellence" programs. In general, priority might well be given to infrastructure items in energy, transportation, and

communications matters that make possible the creation of wealth from things that do not and from things that do not where.

The reduction of over-spending can increase state adaptability as well as ease the heart. Having fewer to spend may give our leaders time to think—to think more and deeply about how best to create some new dollars in mineral and agricultural production. These two, we are reminded again, are the only sources of wealth.

Neither boom nor gloom is a prospect for 1985 and beyond. The whole picture. The other side of the rest of the world are Alaska's opportunity. The character for each of us is to meet the challenge in coming together toward a greater national self-discipline and self-reliance, moving forward together in confidence and with mutual respect, whatever needs to be done more.

Dr. William R. Wood is a retiree of the University of Alaska now in his time as executive director of Fairbanks '84.

Opinion

FDNY

Wednesday, February 27, 1984

Efforts to diversify economy are serious

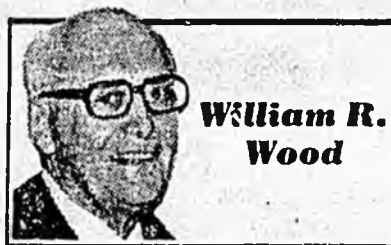
The single *big project* is not dominant in the thinking of community speakers at the Fifth Annual International Conference on Alaska's Resources that convened Feb. 13-14 at the Sheraton Anchorage.

Diversification is. From every region of Alaska the message is clear and strong: tourism, mining, and fishing are the common denominators of interest, then timber and farming wherever trees or crops grow. There was mention of fur ranching, poultry farming, dairying, livestock husbandry, and greenhouse culture. This was not idle talk. Serious effort is being made on each in one or more Alaska communities. Innovation, ingenuity, inventiveness, advanced technology, were mentioned to remind us how young we are in Alaska. How fine the prospect for creative young thinkers.

Seven minute presentations were made by 18 representatives from nine cities, six boroughs, two combined city/borough units, Juneau

and Sitka, and Alaska's metropolis, the municipality of Anchorage. The coverage was widespread, from Ketchikan to Kotzebue, from Unalaska, Bethel and Bristol Bay to the North Slope Borough, Valdez, and the Fairbanks North Star Borough, from Haines and Cordova to Kenai Peninsula, and Matanuska-Susitna to Kodiak Island. Impressive participation! In addition, several places not listed on the program for presentations joined in the excellent All-Alaska community displays featured throughout the conference: Delta, Nenana, Barrow, Skagway, Seward among others. The occasion sponsored by the Resource Development Council for Alaska provided an excellent opportunity for insight into what Alaskans are thinking and doing.

Few of the presentations and displays turned up any brand-new prospects or special projects, the exception, perhaps, being the great Red Dog lead/zinc/silver venture near Kotzebue. From all points in



William R. Wood

Views expressed here do not necessarily represent those of the Daily News-Miner

Alaska, however, was demonstrated renewed determination to find some way, any way to bring into production for processing and marketing Alaska's extraordinary variety of natural resources. Not all non-attenders of the conference may share in the enthusiasm expressed, yet among those present reporting on how things were at home there seemed evident a common belief that the habitat, whether land or marine, can be enhanced and made more productive and attractive for the ultimate benefit of residents of the Great Land.

Surfacing now and again was recognition that the burden of idle resources, natural and human, could reach the level of the intolerable. The spirit expressed was strong: Let's do all that we can ourselves with what we have. Let's not depend on any one source of income, fur, fish, timber, gold, oil, or government, as we have in the past. Let's make intelligent use of all our possibilities and drive toward a greater measure of self-reliance and self-sufficiency.

Not one speaker even hinted at being satisfied with overdependence upon government at any level or any other largesse giver. Each of the 18 community speakers was enthusiastic, optimistic, excited about the potential of the place where he lives, full of cheer and wit, each proud to be an Alaskan. Rated outstanding at the end of the conference was the far-ranging presentation accenting our people potential by our own Mayor Bill Allen.

The agenda for the conference

was studded with other sparkling presentations, some provocative enough to generate fresh thinking and new awareness among the several hundred in attendance. These were offered by a range of specialized talent from Texas, Oregon, Washington D.C., Seattle, and Canada as well as Alaska's own from Juneau, Fort Yukon, Anchorage, and Fairbanks.

Yet the great lift at the conference came from the 18 communities each with the encouraging news of what it was devising and undertaking on its own with reasonable assistance from the outside to insure a brighter tomorrow for the great place where they live. And each of the 18 it was emphasized, is more than willing to share the good life he enjoys with visitors and new residents. Come see us any time!

Dr. William R. Wood is a retired president of the University of Alaska now volunteering his time as executive director of Festival Fairbanks '84.

RDC conference debriefing hits a 'we're-in-this-together' theme

By BERT TARRANT

"We're in this together" was the theme of a debriefing held by the Resource Development Council following its fifth annual International Conference on Alaska's Resources.

The conference was titled "Alaska's Economic Priorities: A Five-Year Strategy" and offered a number of communities from around the state an opportunity to present their own economic conditions, problems and priorities.

It was the mayor and/or representatives of the participating communities that gathered after the two days (Feb. 13-14) of presentations and discussions for the debriefing.

"Last year after our conference we got the speakers and major players together for a private meeting to get their feelings on the conference," said Paula Easley, RDC Executive Director. "It worked well so we decided to do the same this year with the communities."

The debriefing wasn't just a pat-yourself-on-the-back for a job well done. Easley had a slate of 10 conference objectives on which she wanted input from the communities.

• Identify a process for ranking capital projects for state funding

"There was a large consensus at the debriefing that there needs to be a process for ranking capital projects," Easley said, "but there also is no quick and easy, super way of doing that ranking."

She noted the communities had their wish lists for the state legislature but that most had never looked at that list "from a point of view of what would sustain the local economy."

"So far the state legislature has never looked at Alaska's oil wealth with an eye to prioritizing, to ranking needs," she said. "And part of that is due to the fact there has been no clear direction of what we want to do in our state."

But the concept of declining petroleum revenues as production from Prudhoe Bay begins to slip has "finally begun to sink in," the RDC chief said. "Alaska's communities are very concerned. They want more effort made in dealing with priorities and we'll work with them on it."



RDC Executive Director Paula Easley received a bouquet of roses at the conference close.

• Create a more active, vocal constituency for economic development

"This was definitely accomplished by the conference in the view of the communities," Easley said. "Many had never discussed such an idea before and now the momentum is going."

The communities concluded the Resource Development Commission had gotten the whole thing started and "they don't want to see the ball dropped; they want to keep up the momentum," she said.

"The communities asked us to have 3-4 meetings where the mayors or their representatives get together to discuss the constituency issue before we hold our next international conference," she added.

• Give direction to the Governor and legislature that wise spending decisions are needed now

"The mayors concluded they must work at their own level with their own community government and their legislators if they are to make progress in this area," she said.

The community leaders also requested the Council to help with resources and support in their efforts to get the importance of wise spending decisions across to elected representatives.

• Encourage formation of local economic development

See RDC, Page 16



Richard H. Griffin, mayor of Inupiat Community College, left, thanked the city's booth at the Resource Development Council's Community Expo. (See more on next page.)



George Egert, Alaska Railroad marketing representative (right) makes a point to Steven Hestness of Sea Containers West, Seattle.

Continued from Page 14

study groups that can produce. Many of the communities felt they had good, dedicated people working in their various resource and business opportunities development sections, Easley said, "but they also felt something was missing."

"They felt their efforts at development had not been as productive as they could be and concluded a big reason for this was that the development departments had not been given a strong enough mandate," Easley said.

• Stimulate cooperative effort between private industry/Native groups, local chambers, labor and government bodies to pursue economic goals

"This topic ties in with development study groups. The communities felt they must get their development departments more in touch with the community and its leaders if a concerted effort for development and economic diversification were to take place."

Easley noted one of the state's boroughs already is in such a position. "The Kenai

Fifth Annual International Conference on Alaska's Resources Alaska's Economic Priorities: A five-Year Strategy and All-Alaska Community Expo

• RDC conference draws strong reviews



The RDC conference drew a broad spectrum of attendees. (See more on next page.)

Peninsula Borough has a Resource Development Council that is staffed with a director, Frank McIlhargey, and that has been instrumental in that borough's expansion," she said.

"Many of the other communities are looking to the Kenai Peninsula Borough as a good example of economic diversification, how it can be done, and done very well," she added.

• Generate awareness of need for major infrastructure investments that enhance development potential

"I think we can safely say the communities around Alaska are very aware of the need for infrastructure investment but we all agreed the key question was: how do you get this message across to the state legislature?"

• Design a system for state-

wide opinion gathering

"During the conference we told the community participants we would have experts ranking the projects that were presented and some of the communities weren't that happy - not so much at the idea of ranking but that their projects may not get the priority they felt those projects deserved," Easley said.

"We did settle on a plan that will be put into effect with the next conference - the concept of a multi-year opinion survey

using people who came to the conference," Easley said.

"The key is getting opinions from around the state and Easley said most of that battle is won. "For the first time, the RDC International Conference had more people from outside Anchorage attending, plus 20 village corporations and the Native Regional Corporations," she noted.

"By any definition of a valid survey sample, we had it -

See RDC, Page 18

• RDC debriefs participants

Continued from Page 15

economic, geographic, ethnic, etc.," she added.

• Provide information on project financing alternatives

The community representatives were very vocal. Easley says, in their "need to know what investors needed from them and how the communities could be prepared with such information."

"They wondered why and how investors choose one area or community over another for a development project," she added. "They were keenly interested in the criteria for such location factors and they want to work on it."

• Educate public on com-

munity activities, attractions, needs and constraints to development

At the conference, the RDC also sponsored a "Community Exposition" at which each community and others could place exhibits designed to educate attendees of the communities' status and potentials.

"But unless you have a knowledgeable community leader manning the booth, you're not going to be in a position to answer questions should an investor want to know more about the community," Easley said.

"Unfortunately, most of the community leaders were in the conference hall, listening to the presentations, rather than

being out on the booth," she added. "The mayor agreed next year they make sure community leaders were at the booths, ready to answer questions and give insight."

• Foster a "we're in this together" attitude between communities

"I believe this is what excited the participants the most," Easley said. "All of them indicated they were members of the Alaska Municipal League but our conference marked the first time they had ever had a forum to address a large cross section of Alaskans and talk about their problems and potentials."

See RDC, Page 17

Continued from Page 16

"They were not only able to discuss their own problems but also learned much about what is happening in other communities. They found they have many similar problems," she said.

Other areas of concern also were discussed at the debriefing, include a need expressed by many for technical expertise in working toward goals. "Those people are available but it costs money to bring them in," noted Easley.

"They also suggested that in a future conference, after the communities have had the opportunity to make their presentations, that a second set of discussions be held concerning a more regional approach to problems and priorities," Easley said.

An immediate outcome of the conference and debriefing will be release of a booklet on community economic development.

"The booklet was authored by Ron Walt and others in the Division of Economic Enterprise of the state Department of Commerce & Economic Development," Easley noted, "but a lack of funding had kept the booklet from being published. Ron promised the communities he would get it to them."

• RDC conference participants find they share problems



Chuck Martin looks over some of the displays included in the Mat-Su Borough exhibit at the recent Resource Development Council Community Exposition. (See more on next page.)

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 256
 Title: Economic Development of the
State
 Sponsor: Rinastad
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Natural Resources
 Program Category Affected: NRMEC
 BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

No fiscal impact.

Prepared By: Ned Farquhar
 Division: Commissioner's Office

Phone: 465-2400
 Date: March 21, 1985

Approved by Commissioner: Wm D. Amund, Deputy
 Agency: Natural Resources

Date: March 21, 1985

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

Alaska State Legislature

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DICK ELIASON
VIC FISCHER
RICK HALFORD
FRED ZHAROFF



POUCH V
JUNEAU, ALASKA. 99811
(907) 465-4907

Senate Committee on Resources

MEMORANDUM

May 9, 1985

TO: All Members
Senate Resources Committee

FROM: Staff *H*
Senate Resources Committee

RE: SCSHB 256(L&C) "An Act establishing the economic development policy of the state."

SB 256 would establish by statute an economic policy for the State of Alaska.

The bill calls for purposeful development of the state's abundant natural resources and the identification of constraints to economic development.

The bill calls on the state to serve as a catalyst for economic development activities and to:

1. provide information
2. solve constraints to economic development
3. implement capital improvements when necessary
4. provide stable tax and regulatory climate
5. encourage value added processing
6. offer economic incentives

HB 256 has a zero fiscal note.

Enclosures:

1. Fiscal note
2. Letter from Rep. Ringstad
3. Letters of support and newspaper articles

FISCAL NOTE

CEL
3/22

Revision Date: _____

REQUEST
 Bill/Resolution No.: HB 256
 Title: Economic Development of the
State
 Sponsor: Ringstad
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL
 Agency Affected: Natural Resources
 Program Category Affected: NRMEC
 BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

No fiscal impact.

Prepared By: Ned Farquhar Phone: 465-2400
 Division: Commissioner's Office Date: March 21, 1985
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Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

7/1/84

Alaska State Legislature

Representative John Ringstad
District 20-B
P.O. Box 1848
Fairbanks, Alaska 99707
(907) 456-8336



While in Juneau
Pouch V
Juneau, Alaska 99811
(907) 465-4998

House of Representatives

HB 256, an act establishing the economic development policy of the state, is a general policy statement, addressing the need for a stable, diversified economic base, and declaring Alaska's commitment to foster such development through the state's cooperation with the private sector.

Alaska sorely lacks an economic development policy.

This fact has hit us hard, with the sudden decline in revenues we are currently facing. It had been anticipated, that by the time the oil revenue dollars started falling off, Alaska would be well on the road to a stable, diversified economy. The oil revenues are now on the decline, and looking at the world-wide market situation and pricing structure for oil, this is a long-term situation.

HB 256 reflects Alaska's need and desire to further its economic viability. This confirmation is a long-term commitment towards the goal of diversifying our economy, thus creating more jobs for the citizens of this great state, and allowing them the opportunity to continue to make Alaska their home. Further, HB 256 will serve as a signal to domestic and foreign businesses of our commitment to economic development.

Passage of HB 256 will confirm this intent. This legislation is a general policy statement and is not intended to favor any industry or project.

I've been asked about the need for this legislation as a statute rather than a resolve. Billy Berrier, Director of Legal Services, has stated that a resolve does not have the weight or intent that a statute carries. Further, the intent of a resolution only holds for a particular Legislature. Our goal must be a long-term, continuous commitment to develop Alaska's economy.

I ask for your support, and thank you for your consideration of HB 256.



Fairbanks North Star Borough

Mayor: B.B. Allen

February 12, 1985

FEB 19 1985

Representative John Ringstad
Alaska State Legislature
Pouch V
Juneau AK 99811

Dear John:

Based on the advice of several people including Harold Heinze, President, ARCO Alaska, Inc., Bob Bettisworth, Dr. Earl Beistline, Dr. William Wood and others, we have formed a statewide Resource Policy Coalition to address the needs of resource development throughout our state.

At our initial meeting, the first resolution we adopted was a policy statement on economic development. I would like for you and other members of the interior delegation to review the policy statement in hopes that you will do whatever is necessary to establish this as a statement of the State of Alaska's policy on economic development.

This policy statement on economic development has been supported by the Alaska Municipal League, Alaska Conference of Mayors, Fairbanks North Star Borough, Greater Fairbanks Chamber of Commerce, City of Seward, Alaska Mining Association and several others. I think it is important that members of the interior delegation, representing the area where most of the resources are located, provide the leadership by introducing and supporting the resolution for the development and processing of those natural resources.

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

Sincerely yours,

A handwritten signature in cursive script that reads "Bill".

B.B. ALLEN
Borough Mayor

BBA:al

enclosure

Partial List of Supporters that sponsored original resolution submitted to Rep. Ringstad:

Alaska Municipal League
Alaska State Chamber of Commerce
Western Alaska Building & Construction Trade Council
Resource Development Council
Fairbanks North Star Borough
Anchorage Convention & Visitors Bureau
City of Fairbanks
Alaska Miners Association
Conference of Mayors



ALASKA MINERS ASSOCIATION, INC.

509 W. Third Ave., Suite 17, Anchorage, Alaska 99501 (907) 276-0347

March 13, 1985

MAR 19 1985

The Honorable Ben Grussendorf
Speaker of the House
ALASKA STATE LEGISLATURE
Pouch V (MS 3100)
Juneau, Alaska 99811

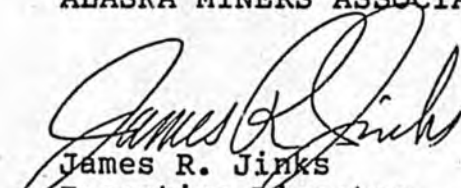
Dear Speaker Grussendorf:

The Alaska Miners Association appreciates the efforts of you and the other sponsors of House Bill No. 256 establishing an economic development policy for the state. We want to thank you, and the other sponsors, and inform you of our total support of HB 256 in its present form (see attached).

We have long supported the adoption of such a policy and continue to do so.

Sincerely,

ALASKA MINERS ASSOCIATION


James R. Jinks
Executive Director

Enclosure

cc: Ringstad
Adams
Cato
Frank
Larson
M.W. Miller
Perce
Rieger
Shultz
Sund
Taylor
Uehling
Hanley
Jenkins



Resource Development Council

for Alaska, Inc.

807 "G" Street, Suite 200, Anchorage, Alaska 99501-3440
 Box 100516, Anchorage, Alaska 99510-0516 - 907/276-0700

MAR 12 1985

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Paula P. Easley

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 E. Thomas Pargeter, Vice Pres.
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 Lew M. Williams
 Jed Holley, Staff Consultant

EX-OFFICIO MEMBERS

Senator Ted Stevens
 Senator Frank Murkowski
 Congressman Don Young
 Governor Bill Sheffield

March 5, 1985

Representative John Ringstad
 Pouch V
 Juneau, AK 99811

Dear John:

We are so pleased to see HB 256 introduced with you as sponsor. This is an important bill for the state of Alaska and the Resource Development Council. Your sponsorship is significant and is creating support for the bill by those who know you and your record.

We and others have been pushing for this sort of state economic development policy for several years. With this bill Alaska can have the statutory guidelines for economic development envisioned in our constitution.

I am aware that HB 256 is tentatively scheduled to be heard in House Resources March 20. You can be sure that the Resource Development Council will have testimony prepared to support this bill and encourage its timely passage in the House.

Please let us know if there is any background or related information we can provide to aid its passage.

Thank you again for your support.

Sincerely,

RESOURCE DEVELOPMENT COUNCIL
 for Alaska, Inc.

Paula P. Easley
 Paula P. Easley
 Executive Director

cc: Michael Abbott, RDC Legislative Coordinator

THE Aft-DITTMAN POLL

of Alaska business leaders

The Aft-Dittman Poll is a regular monthly feature of Alaska Construction & Oil and Alaska Analysts/Dittman Research. Each month several hundred Alaska businessmen and businesswomen are contacted and asked their opinions on questions of statewide importance. The statewide totals are combined and published in the weekly business newsletter Alaska from the Inside (AftI) and in Alaska Construction & Oil. The respondents included in the sample are representative of their fields of activity and are located throughout the state.

QUESTION

"Overall, do you feel state government regulations and policies are most likely to encourage or discourage well-planned, responsible resource development?"

RESULTS

	Encourage	Discourage	Undecided
Construction and Timber	22%	78%	—
Petroleum and Mining	13%	85%	2%
Finance and Services	42%	56%	2%
TOTAL	24%	74%	2%

ANALYSIS

Nearly three-quarters (74%) of Alaska's business leaders interviewed in November feel state government regulations and policies *discourage* well-planned and responsible resource development.

The percentage of respondents agreeing varies widely by industry. Petroleum and Mining respondents are the most adamant, with 85% answering "discourage."

A review of the respondents' comments offered during the poll shows that the Alaska Department of Fish and Game was the most frequently mentioned example of a state agency that discourages resource development. The comments also indicated two main reasons for respondents' concern about government policies:

- (1) It is difficult to justify the expense and time required to design a well-planned development and take it through the permitting process when the likelihood of success is always in doubt.
- (2) The state employees who work in regulatory agencies are more likely to have regulatory ("protective") mentalities which may blind them to the benefits of resource development.

COMMENTS

"Mainly in the permit area — the Department of Fish and Game stops more projects than any agency. They are always on the side of the Sierra Club and SEACC. *No development* is their policy."

"It took 16 years to get a water-use permit for mining and I have a coal prospecting permit application that is nine years old and still pending."

"The tendency in state government is to over-regulate. There can only be one result of that tendency — operating costs are increased both by the requirements for compliance and the cost of processing paper."

"It takes too much time and effort to get permission for access. It discourages people before they even start."

"Regulations are built around a negative attitude."

"Definitely encouraged — a marked improvement noted in both words and deeds!"

"Until the Department of Fish and Game is restricted from making unilateral and arbitrary decisions concerning resource development, we will be unable to encourage development no matter how well-planned and responsible!"

CALENDAR

ENERGY-SOURCES TECHNOLOGY CONFERENCE & EXHIBITION — Sponsored by the American Society of Mechanical Engineers at Loews Anatole Hotel, Dallas, TX, (214) 247-1747, Feb. 17-22.

TRAINING SESSIONS ON DRILLING AND BLASTING TECHNIQUES — Explosives Services Corp. of Issaquah, Wash., (206) 392-7112, is conducting a five-day training session on drilling and blasting techniques in Ketchikan, Feb. 18-Feb. 22; and in Anchorage, Feb. 25-March 1.

INTRODUCTION TO MICROCOMPUTERS — A short course presented by the Society of Mining Engineers of the American Institute of Mining, Metallurgical and Petroleum Engineers, Hilton Hotel, New York, NY, (303) 973-9550, Feb. 23-24.

FINANCE FOR THE MINERALS INDUSTRY — A symposium that is part of the annual meeting events for the Society of Mining Engineers of the American Institute of Mining, Metallurgical and Petroleum Engineers; Hilton Hotel, New York, NY, (303) 973-9550, Feb. 24-28.

STATE OIL AND GAS LEASE SALE NO. 46A — Anchorage Westward Hilton Hotel, Anchorage, Feb. 26.

AGC 66TH ANNUAL CONVENTION/CONSTRUCTOR EXPOSITION — The Associated General Contractors of America 1985 convention, San Francisco, CA, Feb. 27-March 5.

ALASKA SUPPORT INDUSTRY ALLIANCE — Conference on marginal oil field development, Captain Cook Hotel, Anchorage, March 2.

FOURTH ANNUAL ALASKA CONSTRUCTION SUPPLY AND EQUIPMENT SHOW — Exhibits and technical sessions, Sullivan Arena, Anchorage, (907) 346-2424, March 21-22.

ARCTIC '85: CIVIL ENGINEERING IN THE ARCTIC OFFSHORE — A national specialty conference of the American Society of Civil Engineers at the Sheraton Palace Hotel, San Francisco, CA, (713) 772-0876, March 25-27.

34TH ANNUAL VEHICLE MAINTENANCE/MANAGEMENT CONFERENCE — Sponsored by the University of Washington, College of Engineering, at Kane Hall, Seattle, WA, (206) 543-5539, March 25-28.

ALASKA TRANSPORTATION FORUM — University of Alaska-Fairbanks, April 15-16.

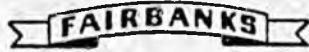
CABLE HARVEST TECHNIQUES — Holiday Inn-Downtown, Spokane, WA, (509) 838-6101, April 15-19.



United Way
of King County

Thanks to you.

Editorial Opinion and Comment of



Daily News - Miner

"Independent in All Things. . . Neutral in None"

Other opinions expressed on this page do not necessarily reflect those of the Daily News-Miner.

A strategy for the future

Alaskans concerned about resource development have been meeting in Anchorage this week to discuss a strategy for the future. The occasion was a conference sponsored by the Resource Development Council, and the agenda was packed with representatives of government and industry.

It's that mix of government and industry that Alaska must tend to if we are to meet our goals of economic development and diversification.

Though the private sector usually operates best with a minimum of government involvement, the high percentage of government-owned land in Alaska necessitates close cooperation from all three levels of government—federal, state and local.

Most of the industries Alaska hopes to encourage—mining, agriculture, fishing, natural gas, petrochemicals—can't be developed unless land is made available and access is provided. That's where governments come in, for private land owners in Alaska continue to hold only a small share of the land, even when Native corporation land holdings are included in the reckoning.

Economic development is not an easy job for our state. For though we're blessed with abundant natural resources that can serve as the foundation of such efforts, we're seeking to balance their development with an appreciation of the natural beauty of our land and of the resources such as fish and wildlife for which natural habitat is critical.

What we can accomplish depends to a large extent upon the attitude of Alaskans. Our state has a high level of citizen involvement in decision-making and it is possible for a few people to influence major decisions.

What we must seek, then, is a recognition that Alaska cannot long afford the luxury of our diverse lifestyles if our economy does not remain strong. Nor will we be able to provide the amenities we've come to enjoy if we do not diversify our state revenue sources.

By recognizing the complexity of the economic development job, Alaskans should be able to plan a strategy that will protect our land and at the same time develop our resources. It will take planning and foresight, but it's not a job to shirk.

RDC conference debriefing hits a 'we're-in-this-together' theme

By BERT TARIANT
"We're in this together" was the theme of a debriefing held by the Resource Development Council following its fifth annual International Conference on Alaska's Resources.

The conference was titled "Alaska's Economic Priorities: A Five-Year Strategy" and offered a number of communities from around the state an opportunity to present their own economic conditions, problems and priorities.

It was the mayor and/or representatives of the participating communities that gathered after the two days (Feb. 13-14) of presentations and discussions for the debriefing.

"Last year after our conference we got the speakers and major players together for a private meeting to get their feelings on the conference," said Paula Easley, RDC Executive Director. "It worked well so we decided to do the same this year with the communities."

The debriefing wasn't just a pat-yourself-on-the-back for a job well done. Easley had a slate of 10 conference objectives on which she wanted input from the communities.

- Identify a process for ranking capital projects for state funding

"There was a large consensus at the debriefing that there needs to be a process for ranking capital projects," Easley said, "but there also is no quick and easy, super way of doing that ranking."

She noted the communities had their wish lists for the state legislature but that most had never looked at that list "from a point of view of what would sustain the local economy."

"So far the state legislature has never looked at Alaska's oil wealth with an eye to prioritizing, to ranking needs," she said. "And part of that is due to the fact there has been no clear direction of what we want to do in our state."

But the concept of declining petroleum revenues as production from Prudhoe Bay begins to slip has "finally begun to sink in," the RDC chief said. "Alaska's communities are very concerned. They want more effort made in dealing with priorities and we'll work with them on it."



RDC Executive Director Paula Easley received a bouquet of roses at the conference close.

- Create a more active, vocal constituency for economic development

"This was definitely accomplished by the conference in the view of the communities," Easley said. "Many had never discussed such an idea before and now the momentum is going."

The communities concluded the Resource Development Commission had gotten the whole thing started and "they don't want to see the ball dropped; they want to keep up the momentum," she said.

"The communities asked us to have 3-4 meetings where the mayors or their representatives get together to discuss the constituency issue before we hold our next international conference," she added.

- Give direction to the Governor and legislature that wise spending decisions are needed now

"The mayors concluded they must work at their own level with their own community government and their legislators if they are to make progress in this area," she said.

- The community leaders also requested the Council to help with resources and support in their efforts to get the importance of wise spending decisions across to elected representatives.

- Encourage formation of local economic development

See RDC, Page 15



ARCHIE H. UPTON, dean of the University of Alaska, is seen in the foreground, looking at a map of the Kenai Peninsula during the RDC Community Expo. (See RDC, Page 15)



CHUCK EAGER, Alaska's Ambassador, is seen speaking at the RDC Community Expo. (See RDC, Page 15)

• RDC conference participants find they share problems

Continued from Page 14

study groups that can produce many of the communities felt they had good, dedicated people working in their various resource and business opportunities development actions, Easley said, "but they also felt something was missing."

"They felt their efforts at development had not been as productive as they could be and concluded a big reason for this was that the development departments had not been given a strong enough mandate," Easley said.

- Stimulate cooperative effort between private industry/Native groups, local chambers, labor and government bodies to pursue economic goals

"This topic ties in with development study groups. The communities felt they must get their development departments more in touch with the community and its leaders if a concerted effort for development and economic diversification were to take place."

Easley noted one of the state's boroughs already is in such a position. "The Kenai Peninsula Borough has a Resource Development Council that is staffed with a director, Frank McIlhargey, and that has been instrumental in that borough's expansion," she said.

"Many of the other communities are looking to the Kenai Peninsula Borough as a good example of economic diversification, how it can be done, and done very well," she added.

• RDC debriefs participants

Continued from Page 15

economic, geographic, ethnic, etc.," she added.

- Provide information on project financing alternatives

The community representatives were very vocal, Easley says. In their "need to know what investors needed from them and how the communities could be prepared with such information."

"They wondered why and how investors choose one area or community over another for a development project," she added. "They were keenly interested in the criteria for such location factors and they want to work on it."

- Educate public on com-

Fifth Annual International Conference on Alaska's Resources Alaska's Economic Priorities: A five-Year Strategy and All-Alaska Community Expo

• RDC conference draws strong reviews

wide opinion gathering

"During the conference we told the community participants we would have experts ranking the projects that were presented and some of the communities weren't that happy—not so much at the idea of ranking but that their projects may not get the priority they felt those projects deserved," Easley said.

"We did settle on a plan that will be put into effect with the next conference—the concept of a multi-year opinion survey

using people who came to the conference," Easley said.

The key is getting opinions from around the state and Easley said most of that battle is won. "For the first time, the RDC International Conference had more people from outside Anchorage attending, plus 20 village corporations and the Native Regional Corporations," she noted.

"By any definition of a valid survey sample, we had it—

See RDC, Page 16

Continued from Page 16

"They were not only able to discuss their own problems but also learned much about what is happening in other communities. They found they have many similar problems," she said.

Other areas of concern also were discussed at the debriefing, include a need expressed by many for technical expertise in working toward goals. "Those people are available but it costs money to bring them in," noted Easley.

"They also suggested that in a future conference, after the communities have had the opportunity to make their presentations, that a second set of discussions be held concerning a more regional approach to problems and priorities," Easley said.

An immediate outcome of the conference and debriefing will be release of a booklet on community economic development.

"The booklet was authored by Ron Walt and others in the Division of Economic Enterprise of the state Department of Commerce & Economic Development," Easley noted, "but a lack of funding had kept the booklet from being published. Ron promised the communities he would get it to them."

munity activities, attractions, needs and constraints to development

At the conference, the RDC also sponsored a "Community Exposition" at which each community and others could place exhibits designed to educate attendees of the communities' status and potentials.

"But unless you have a knowledgeable community leader manning the booth, you're not going to be in a position to answer questions should an investor want to know more about the community," Easley said.

"Unfortunately, most of the community leaders were in the conference hall, listening to the presentations, rather than

being out on the booth," she added. "The mayor agreed next year they make sure community leaders were at the booths, ready to answer questions and give insight."

- Foster a "we're in this together" attitude between communities

"I believe this is what excited the participants the most," Easley said. "All of them indicated they were members of the Alaska Municipal League but our conference market the first time they had ever had a forum to address a large cross section of Alaskans and talk about their problems and potentials."

See RDC, Page 17



CHUCK EAGER, Alaska's Ambassador, is seen looking at a display board at the RDC Community Expo. (See RDC, Page 15)

ALASKA JOURNAL OF COMMERCE & PACIFIC RIM REPORTER West of February 25, 1985

Opinion

FDNY

Wednesday, February 27, 1985

Efforts to diversify economy are serious

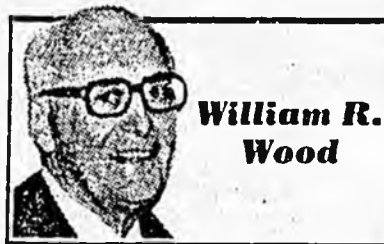
The single *big project* is not dominant in the thinking of community speakers at the Fifth Annual International Conference on Alaska's Resources that convened Feb. 13-14 at the Sheraton Anchorage.

Diversification is. From every region of Alaska the message is clear and strong: tourism, mining, and fishing are the common denominators of interest, then timber and farming wherever trees or crops grow. There was mention of fur ranching, poultry farming, dairying, livestock husbandry, and greenhouse culture. This was not idle talk. Serious effort is being made on each in one or more Alaska communities. Innovation, ingenuity, inventiveness, advanced technology, were mentioned to remind us how young we are in Alaska. How fine the prospect for creative young thinkers.

Seven minute presentations were made by 18 representatives from nine cities, six boroughs, two combined city/borough units, Juneau

and Sitka, and Alaska's metropolis, the municipality of Anchorage. The coverage was widespread, from Ketchikan to Kotzebue, from Unalaska, Bethel and Bristol Bay to the North Slope Borough, Valdez, and the Fairbanks North Star Borough, from Haines and Cordova to Kenai Peninsula, and Matanuska-Susitna to Kodiak Island. Impressive participation! In addition, several places not listed on the program for presentations joined in the excellent All-Alaska community displays featured throughout the conference: Delta, Nenana, Barrow, Skagway, Seward among others. The occasion sponsored by the Resource Development Council for Alaska provided an excellent opportunity for insight into what Alaskans are thinking and doing.

Few of the presentations and displays turned up any brand-new prospects or special projects, the exception, perhaps, being the great Red Dog lead/zinc/silver venture near Kotzebue. From all points in



William R. Wood

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Alaska, however, was demonstrated renewed determination to find some way, any way to bring into production for processing and marketing Alaska's extraordinary variety of natural resources. Not all non-attenders of the conference may share in the enthusiasm expressed, yet among those present reporting on how things were at home there seemed evident a common belief that the habitat, whether land or marine, can be enhanced and made more productive and attractive for the ultimate benefit of residents of the Great Land.

Surfacing now and again was recognition that the burden of idle resources, natural and human, could reach the level of the intolerable. The spirit expressed was strong: Let's do all that we can ourselves with what we have. Let's not depend on any one source of income, fur, fish, timber, gold, oil, or government, as we have in the past. Let's make intelligent use of all our possibilities and drive toward a greater measure of self-reliance and self-sufficiency.

Not one speaker even hinted at being satisfied with overdependence upon government at any level or any other largesse giver. Each of the 18 community speakers was enthusiastic, optimistic, excited about the potential of the place where he lives, full of cheer and wit, each proud to be an Alaskan. Rated outstanding at the end of the conference was the far-ranging presentation accenting our people potential by our own Mayor Bill Allen.

The agenda for the conference

was studded with other sparkling presentations, some provocative enough to generate fresh thinking and new awareness among the several hundred in attendance. These were offered by a range of specialized talent from Texas, Oregon, Washington D.C., Seattle, and Canada as well as Alaska's own from Juneau, Fort Yukon, Anchorage, and Fairbanks.

Yet the great lift at the conference came from the 18 communities each with the encouraging news of what it was devising and undertaking on its own with reasonable assistance from the outside to insure a brighter tomorrow for the great place where they live. And each of the 18 it was emphasized, is more than willing to share the good life he enjoys with visitors and new residents. Come see us any time!

Dr. William R. Wood is a retired president of the University of Alaska now volunteering his time as executive director of Festival Fairbanks '84.

OPINIONS

Revenue projections provide sobering truth

At the opening session of last week's informative and stimulating conference on "Alaska's Economic Priorities" at the Sheraton/Anchorage, Fairbanksan Mary Nordale, well-known attorney and now state commissioner of revenue, presented a most enlightening and encouraging summary of Alaska's "Petroleum Revenue, Production and Price Projections."

Such projections, however sophisticated the analysis of pertinent data available, of necessity are based upon assumptions, probabilities, and, in some parts, sheer guesswork. They offer, however, the best guidelines to thoughtful action we have.

The Alaska oil revenue projections ending downward from a peak, as is inevitable in the production scenario anything on a gigantic scale, have been featured recently in the press and media as gloom and doom forecasts. They are not. On the contrary, the wringing of hands and the wailing of the wigwams of the mighty have been depressing evidence merely that we among us love to be dependent. Viewed in the perspective of what is B.O.P. (Before Oil Production), the current state revenue projections for the year 2000 and beyond are neither bleak nor hopelessly discouraging. Sobering, yes. This, of course, all resi-

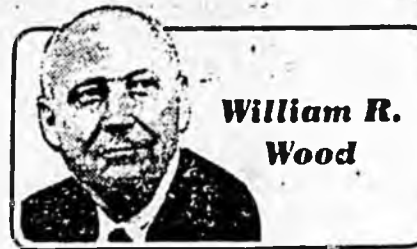
dents of Alaska should find comforting and enormously encouraging. At last, a return to common sense fiscal behavior is in prospect.

In summary, the Nordale projections remind us that in 1975 the state's "General Fund Unrestricted Revenues" were about \$333 million. This more than doubled the very next year.

The flood of North Slope oil dollars continued to swell to \$2.5 billion by 1980—nearly an eight-fold increase in five years! The gusher crested at \$4.1 billion two years later and has gradually tapered downward since. In 1985 the General Fund Unrestricted Revenues are estimated to reach a total of \$3.3 billion. A ten-fold increase in one decade, 1975-1985. Wow! Remember how it was in 1960? About \$30 million total, or one hundred times smaller!

No wonder Alaska went on a spending spree, led by the Legislature and the administration eager to catch up on capital needs and services desired to enhance the good life as they saw it throughout the state. Let's not forget they were responding to pressure at home. All of us were more or less active in the "gimme" posture, both hands outstretched and pleading, "More! More!"

What really got out of hand was the bureaucracy, not just in government,



**William R.
Wood**

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but in the industrial, commercial, financial, educational, and labor arenas as well. The phenomenon of over-indulgence permeated every corner of Alaska. It has been particularly devastating to Alaska's future prospects in the over-staffing of regulatory activities and paperwork impositions. This has been far too costly for the residents to afford since the zeal to achieve the last measure of perfection for one cause or another has ranged far beyond the realm of reason and common sense.

Fortunately, there is the Permanent Fund acting as a safety valve of sorts to keep the whole barrel from running dry. It didn't exist until 1977. Now in 1985 the annual earnings from this savings account are over \$600 million. In the next 10 years it is estimated that the Permanent Fund will be earning about \$1.5 billion and will

approach \$2.5 billion annually by the turn of the century, just 15 years from now. That amount combined with an estimated \$2.2 billion from oil and other sources, such as mining, fishing, timber harvest, tourism, and agriculture, would bring the General Fund Unrestricted Revenues to nearly \$5 billion for state spending in the year 2000. Moreover, by that time the Permanent Fund itself would be something over \$20 billion.

Not too shabby a prospect for Alaska, even should the population double by then to one million residents. All such projections, of course, are tempered by change, both the predictable and the unforeseen.

The alarm over necessary spending cuts this session at the state level may be a blessing in disguise. Spending restraints are clearly overdue. There could be substantial reductions in government regulatory and administrative operations even if revenues were rising instead of falling. A greater depth of prudence should prevail in selecting for funding capital improvement projects in the statewide "catch-up" and "Reach for Excellence" programs. In general, priority might well be given to infrastructure items in energy, transportation, and

communications matters designed to make possible the creation of new wealth from things that grow here and from things that do not grow anywhere.

The reduction of overweight in spending can increase strength and adaptability as well as ease strain on the heart. Having fewer dollars to spend may give our leaders more time to think—to think more clearly and deeply about how best we may create some new dollars from our mineral and agricultural resources. These two, we are reminded again and again, are the only sources of new wealth.

Neither boom nor gloom is our prospect for 1985 and beyond. Examine the whole picture. The other 49 and the rest of the world are envious of Alaska's opportunity. The test of character for each of us is how we meet the challenge in moving together toward a greater measure of self-discipline and self-reliance. Moving forward together in confidence and with mutual respect, we can do whatever needs to be done—and more.

Dr. William R. Wood is a retired president of the University of Alaska now volunteering his time as executive director of Festival Fairbanks '84.

*Fuller
supported
defeated in primary
by Edna Perkins*

TO: ALL SENATORS

FROM: JIM ZAWACKI, 738 H ST., SUITE 100, ANCHORAGE, ALASKA
99501 (H)738-2905 (W)276-1490

RE: HB256, STATE ECONOMIC DEVELOPMENT POLICY

I URGE YOU TO VOTE IN FAVOR OF HB256 TO INSURE THAT ALASKA HAS A
STRONG POSITION SUPPORTING ECONOMIC DEVELOPMENT.

*
* DELIVER TO: JPOM *
* *
* ORIGINAL *
* SENT *
05/10/85 TIME: 10:42

COMMITTEE REPORT

SENATE

FURTHER:

5/7/85

Date _____

Mr. President

The Committee on RESOURCES considered HE 256 am

establishing the economic development policy of the State.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title _____
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

Chairman
[Handwritten signature]

Chairman recommendation

Margaret King

Offered: 5/7/85
Referred: Resources

Original sponsors: Ringstad, Adams,
Grussendorf, et al

BY THE LABOR AND
COMMERCE COMMITTEE

1 IN THE HOUSE

2

SENATE CS FOR HOUSE BILL NO. 256 (L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act establishing the economic development policy
7 of the state."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 44 is amended by adding a new chapter to read:

10

CHAPTER 67. GENERAL STATE POLICY.

11

Sec. 44.67.010. DECLARATION OF STATE ECONOMIC DEVELOPMENT POLI-

12

CY. (a) To further the goals of a sound economy, stable employment,

13

and a desirable quality of life, the legislature declares that the

14

state has a commitment to foster the economy of Alaska through pur-

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poseful development of the state's abundant natural resources. It is

16

the legislature's intent that this development

17

(1) offer long-term benefits and increased employment to

18

Alaskans by strengthening and diversifying the state's economic base

19

and encouraging new activities;

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(2) provide opportunities for increased personal income or

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reduced living costs by creating activity in economic sectors;

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(3) have a positive effect on the revenue needs and fiscal

23

conditions of the state and local communities;

24

(4) be undertaken after consideration of the views of

25

citizens impacted by the development, ^{and} only after adequate pro-

26

tection is assured for Alaska's environment.]

27

(b) To take advantage of investment opportunities afforded by

28

Alaska's abundant resources, the legislature finds that the state must

29

undertake activities that serve as a catalyst to responsible economic

RINGSTAD

1 development in the state for the benefit of its citizens. It is the
2 policy of the state to

3 (1) develop and provide information to domestic and foreign
4 investors to use in evaluating project feasibility;

5 (2) with cooperation from investors, identify constraints
6 to economic development imposed by all levels of government and work
7 with government agencies to solve problems created by those con-
8 straints;

9 (3) with cooperation from investors, identify constraints
10 to economic development such as lack of transportation and energy
11 systems necessary to support the extraction, production, and transport
12 of resources to markets, and implement capital improvement or other
13 programs to resolve the deficiencies;

14 (4) provide a stable tax and regulatory climate that en-
15 courages expansion of the state's economic base;

16 (5) encourage "value-added" processing in the state;

17 (6) improve the state's comparative position by offering
18 economic incentives that support the constitutional mandates for
19 utilization, development and conservation of natural resources.
20

Introduced: 3/1/85
Referred: Resources and
Finance

BY RINGSTAD, ADAMS, GRUSSENDORF,
CATO, FRANK, LARSON, M.W.MILLER,
PEARCE, RIEGER, SHULTZ, SUND,
TAYLOR, UEHLING, HANLEY AND JENKINS

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2 HOUSE BILL NO. 256 am

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HOUSE BILL NO. 256 am

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19 economic incentives that support the constitutional mandates for
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21

Offered: 5/9/85
Referred: Rules

Original sponsors: Ringstad, Adams,
Grussendorf, et al

FINAL
Resources
Changes
High Light col.

1 IN THE HOUSE BY THE RESOURCES COMMITTEE

2

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

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