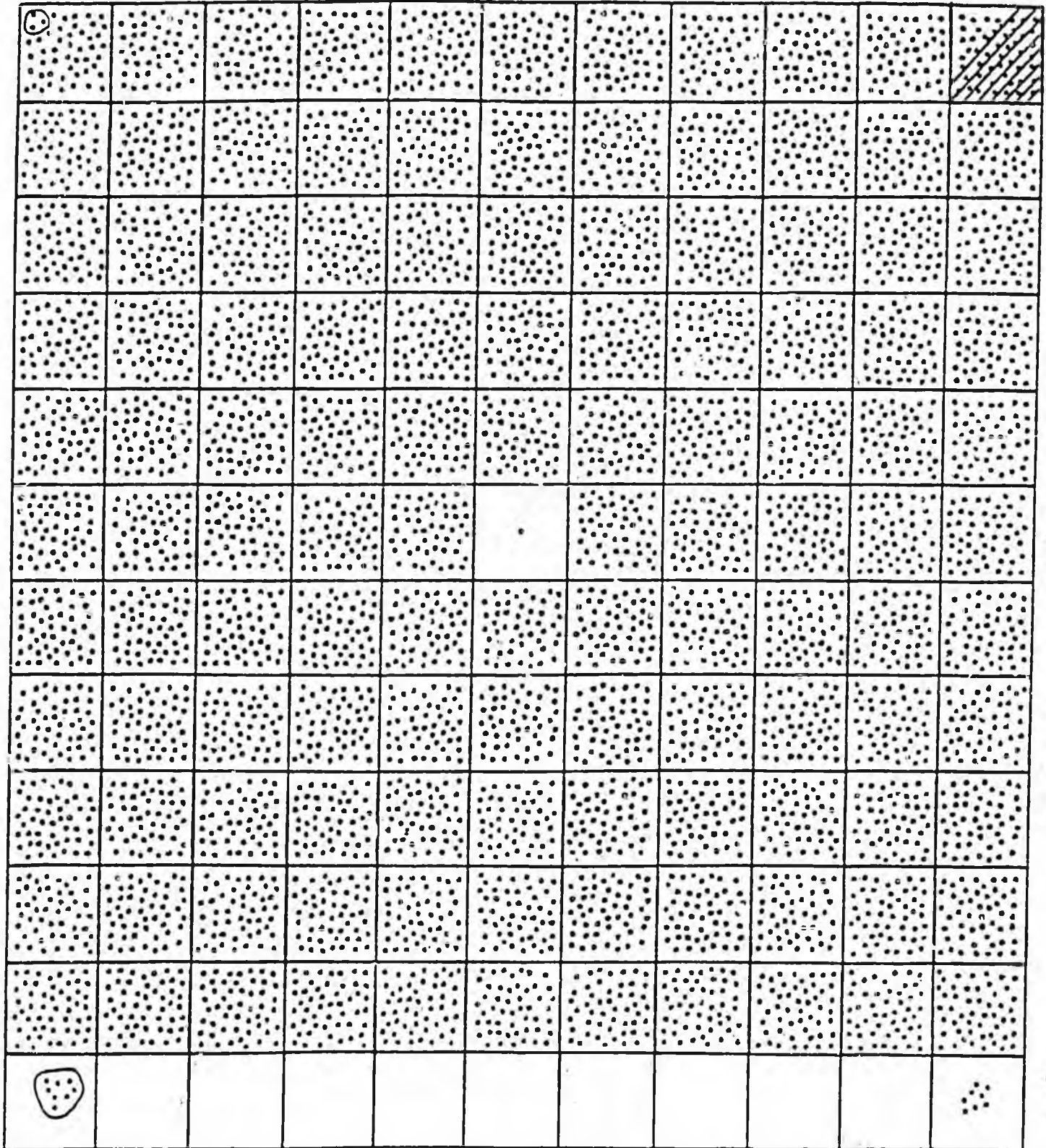


SJR

21

NUCLEAR WEAPONS CHART



The dot in the center represents all the firepower of World War II—three megatons. The other dots represent the world's present nuclear weaponry, which equals 6,000 World War II's (18,000 megatons). The U.S. and the Soviets share this firepower with approximately equal destructive capability.

The top left-hand circle, enclosing nine megatons, represents the weapons on one Poseidon submarine—equal to three World War II's, enough to destroy more than 200 of the largest Soviet cities. The circle in the lower left-hand square (24 megatons, eight World War II's) represents one new Trident sub with the power to destroy every major city in the northern hemisphere.

Just two squares (300 megatons) represent enough firepower to destroy all the large- and medium-sized cities in the world.

The amount in the shaded area—100 megatons, or less than 1% of the U.S. or Soviet arsenal—represents the amount necessary to bring on the "nuclear winter." The dust lofted into the air by the explosion of this small amount would block out sunlight and make temperatures drop so dramatically that our planet would be uninhabitable for plants, animals and humans.

This chart, which has been reviewed for accuracy by U.S. Senate staff members, appears in *The Tritium Factor: How Business Executives Can Help Solve the Nuclear Weapons Crisis* by Harold Wilens.

All excerpts from Department of State Bulletin: The Official Monthly Record of United States Foreign Policy, (emphasis added throughout)

Excerpts from "Prospects for World Peace" by President Reagan, an address before the 41st session of the UN General Assembly in New York City on Sept. 22, 1986, appearing in Dept. of State Bulletin, November 1986:

"It is for this reason that I wrote last summer to Mr. Gorbachev with the new arms control proposals. Before discussing the proposals, let us be clear about which weapons are the most dangerous and threatening to peace. The threat does not come from defensive systems, which are a shield against attack, but from offensive weapons -- ballistic missiles that hurtle through space and can wreak mass destruction on the surface of the earth, especially the Soviet Union's heavy, accurate intercontinental ballistic missiles (ICBMs), with multiple warheads, which have no counterparts in size or number in any other country.

"That is why the United States has long urged radical, equitable, verifiable reductions in these offensive systems. Note that I said reduction; for this is the real purpose of arms control; not just to codify the levels of today's arsenals, not just to channel their further expansion, but to reduce them in ways that will reduce the danger of war. Indeed, the United States believes the prospect of a future without such weapons of mass destruction must be the ultimate goal of arms control.

"I am pleased to say that the Soviet Union has now embraced our idea of radical reductions in offensive systems. At the Geneva summit last November, we agreed to intensify work in this area. Since then, the Soviets have made detailed proposals which, while not acceptable to us, appear to represent a serious effort. So, we continue to seek a 50% reduction of American and Soviet arsenals -- with the central focus on the reduction of ballistic missile warheads. If the Soviet Union wants only a lesser reduction, however, we are prepared to consider it but as an interim measure. In other provisions, as well, we have sought to take account of Soviet concerns. So, there has been movement.

"Similarly, in the area of intermediate-range nuclear forces, the United States seeks the total elimination of such missiles on a global basis. Again, if the Soviet Union insists on pursuing such a goal in stages, we are prepared to conclude an interim agreement without delay."

"As the United States has repeatedly made clear, we are moving toward a future of greater reliance upon strategic defence. The United States remains prepared to talk about how -- under what ground rules and process -- we and the Soviet Union can do this cooperatively. Such strategic defenses, coupled with radical reductions in offensive forces, would represent a safer balance and would give future statesmen the opportunity to move beyond it to the ultimate elimination of nuclear weapons from the face of the earth."

Nuclear and Space Arms Negotiations
White House Statement excerpt
Aug. 31, 1986
Department of State Bulletin, November 1986

The United States and the Soviet Union will begin a new round of discussions on arms control in Geneva on September 18. An interagency arms control group has been meeting during the past several weeks to prepare for this round of talks. The United States considers this new round to be important in the process of reaching an agreement for meaningful arms control leading to total elimination of nuclear weapons. The September discussions come at a critical juncture in the process.

The recent exchanges between President Reagan and General Secretary Gorbachev have served to underscore the seriousness of the discussions. We are pleased that the Soviet Union has moved from a position of limiting the expansion of the arms race to a discussion of reducing the nuclear arsenals on both sides.

U.S. Policy on Arms Control: Purpose, Prospects, and Process
by Allen Holmes (Ambassador Holmes, Assistant Secretary for Politico-Military Affairs) Excerpt from address delivered before the Council on Foreign Relations in New York City on June 2, 1986, appearing in Dept. of State Bulletin, Sept. 1986:

"The objective of this Administration is to enhance security and reduce the risk of war, to ensure strategic stability at the lowest feasible level, and ultimately -- some day -- to do away with nuclear weapons."

Excerpt from letter from President Reagan to the Congress, August 5, 1986, accompanying unclassified version of classified report on U.S. Interim Restraint Policy, appearing in Dept. of State Bulletin, Sept. 1986:

"I want again to emphasize that no policy of interim restraint is a substitute for an agreement on deep and equitable reductions in offensive nuclear arms, provided that we can be confident of Soviet compliance with it. Achieving such reductions continues to receive my highest priority. This is the most direct path to achieving greater stability and a safer world."

Excerpts from Unclassified Report to the Congress on U. S. Interim Restraint Policy and Representative Soviet and U.S. Dimantlement and Strategic Force Projections With and Without SALT I and II, appearing in Dept. of State Bulletin, Oct. 1986

From I. Introduction: U.S. Interim Restraint Policy and U. S. Responses to Soviet Noncompliance

"In his May 27 statement, the President emphasized that no policy of interim restraint is a substitute for an agreement on deep and equitable reductions in offensive nuclear arms, provided that we can be confident of Soviet compliance with it. Achieving such reductions has received, and will continue to receive, his highest priority. We hope the Soviet Union will act to give substance to the agreement reached by the President and General Secretary Gorbachev at the summit meeting last November to achieve early progress in the Geneva negotiations. It was agreed to focus, in particular, on areas where there is common ground, including the principle of 50% reductions, appropriately applied, in the strategic nuclear arms of both countries, as well as an interim agreement on intermediate-range nuclear forces. If the Soviet Union carries out this agreement, we can move now to achieve greater stability and a safer world."

From IV. Soviet Political and Negotiating Responses

"No policy of interim restraint is a substitute for an agreement on deep and equitable reductions in offensive nuclear arms, provided that we can be confident of Soviet compliance with it. We hope the Soviet Union will act to give substance to the agreement reached by the President and General Secretary Gorbachev at the summit meeting last November to achieve early progress in the Geneva negotiations.

"Our objectives in Geneva remain the same as stated at the summit: to seek common ground in negotiating deep, equitable and verifiable reductions in strategic and intermediate-range offensive nuclear arsenals and to discuss with the Soviet Union how we could enhance deterrence and stability by moving toward a world in which we would no longer rely exclusively on the threat of nuclear retaliation to preserve the peace. We hope the Soviets will negotiate seriously with us toward these important goals."

Excerpts from remarks delivered by President Reagan in Glassboro, New Jersey, June 19, 1986, appearing in Dept. of State Bulletin, September 1986:

"When I met Mr. Gorbachev last November in Geneva, he and I agreed to intensify our effort to reduce strategic arms...And we both spoke of the ultimate goal of eliminating all nuclear weapons."

"In this essay on peace, then, we can assert that the time has come to move forward. Let us leave behind efforts to seek only limits to the increase of nuclear arms and seek instead actual arms reductions -- the deep and verifiable reductions that Mr. Gorbachev and I have agreed to negotiate. The goal here is not complicated. I am suggesting that we agree not on how many new, bigger, and more accurate missiles can be built, but on how to reduce and ultimately eliminate all nuclear missiles.

"Let us leave behind, too, the defense policy of mutual assured destruction, or MAD, as it's called, and seek to put in its place a defense that truly defends. You know -- let me interrupt right here and say that possibly you haven't considered much about this system. This MAD policy, as it's called -- and incidentally, MAD stands for mutual assured destruction, but MAD is also a description of what the policy is. It means that if we each keep enough weapons that we can destroy each other, then maybe we'll both have enough sense not to shoot those weapons off. That's not exactly the way for the world to go on, with these massed terribly destructive weapons aimed at each other and the possibility that some day a madman somewhere may push a button and the next day the world starts to explode."

2/24/87

TUESDAY

No. 5

A D D R E S S

By

THE HONORABLE TED STEVENS
UNITED STATES SENATOR
STATE OF ALASKA

Before a Joint Session
of the
First Session
Fifteenth Alaska State Legislature

February 24, 1987
Juneau, Alaska

2/24/87

REMARKS BY SENATOR TED STEVENS
TO THE FIRST SESSION OF THE 15TH ALASKA STATE LEGISLATURE

JUNEAU, ALASKA
TUESDAY, FEBRUARY 24, 1987

A FOUR-YEAR CELEBRATION OF THE BICENTENNIAL OF OUR NATION'S CONSTITUTION COMMENCES THIS SEPTEMBER. AS ALASKANS, WE HAVE PLENTY OF REASONS TO JOIN IN THE NATIONAL CELEBRATION.

THE CONSTITUTION NOT ONLY PROTECTS THE RIGHTS OF INDIVIDUALS. IT ALSO PROTECTS THE RIGHTS OF STATES WITH SMALL POPULATIONS IN OUR FEDERAL SYSTEM. AND, IT WAS THIS CONSTITUTIONAL SYSTEM THAT MADE STATEHOOD POSSIBLE, REQUIRED A JUST SETTLEMENT OF THE CLAIMS OF OUR NATIVE PEOPLE AGAINST THE FEDERAL GOVERNMENT, AND NOW PROTECTS OUR RIGHTS, LIBERTIES, AND FREEDOMS FROM AITU TO TOK AND BARROW TO KETCHIKAN TO THE SAME EXTENT AS ALL OTHER AMERICANS.

I HOPE THAT WE WILL LINK THE CELEBRATION OF THE 30TH ANNIVERSARY OF ALASKA STATEHOOD WITH THE THIRD YEAR OF THE BICENTENNIAL CELEBRATION. THE CONSTITUTION OF THE UNITED STATES IS THE WORLD'S OLDEST CONSTITUTION IN FORCE, AND IT IS AS RELEVANT TO OUR LIVES TODAY AS IT WAS TO THE LIVES OF OUR FOUNDING FATHERS 200 YEARS AGO.

2/24/87

BUT I CAN TELL YOU THAT EVERYTHING WE ARE DOING TO ASSURE OUR DEFENSE CAPABILITY HERE IN ALASKA IS INCONSISTENT WITH THE CONCEPT OF STATING ALASKANS OPPOSE ANY NUCLEAR PRESENCE -- EITHER AS PROPULSION MECHANISMS OF NUCLEAR-POWERED VEHICLES OR IN NUCLEAR WEAPONS -- HARMLESS UNTIL ARMED -- THAT ARE OUR CAPABILITY TO RETALIATE AND THEREFORE DETER AGRESSION AGAINST US OR OUR ALLIES. THAT DETERRANCE HAS WORKED AND CONTINUES TO WORK.

I BELIEVE WE WILL MAINTAIN OUR FREEDOMS IF WE MAINTAIN OUR CAPABILITY TO DEFEND OURSELVES. AMERIKA WAS A TELEVISION PROGRAM, NOT A PREDICTION OF THINGS TO COME. BUT, IF ALL STATES AND ALL ALLIES WERE TO PASS A RESOLUTION LIKE THE ONE BEFORE YOU, WHERE WOULD WE DEPLOY OUR DETERRENT FORCE? I HOPE YOU SERIOUSLY CONSIDER THE MESSAGE SECRETARY SHULTZ SENT TO YOUR LEGISLATURE.

I'M PROUD TO HAVE HAD THE OPPORTUNITY TO WORK WITH YOU AND PAST MEMBERS OF THE ALASKA STATE LEGISLATURE ON FEDERAL ISSUES OF IMPORTANCE TO ALASKA. ANSWER IS GOING TO BE A TOUGH BATTLE, TOUGHER THAN MOST EXPECT, BUT WE CAN WIN IF WE ARE UNITED.

I NOTED THE QUESTION PRESENTED TO SENATOR MURKOWSKI ABOUT THE NUCLEAR FREEZE ALASKA RESOLUTION. LET ME CLOSE BY COMMENTING ON THAT. FOR OVER FORTY YEARS, WE HAVE HELD A NUCLEAR UMBRELLA OVER THE FREE WORLD. I HAVE DEDICATED A GREAT PORTION OF MY LIFE THESE LAST FEW YEARS TO HELPING TO BRING ABOUT MAJOR REDUCTIONS IN NUCLEAR WEAPONS -- NOT LIMITATIONS ON FUTURE GROWTH BUT ACTUAL VERIFIABLE REDUCTIONS. AND, I HAVE SUPPORTED THE STRATEGIC DEFENSE INITIATIVE BECAUSE IT HOLDS THE HOPE OF A NON-NUCLEAR DEFENSE AGAINST NUCLEAR WEAPONS.

THE FACT REMAINS THAT WE AMERICANS STILL PROTECT THE FREEDOM OF THOSE WHO DO NOT LIVE UNDER COMMUNISM, AND ALASKANS HOLD A STRATEGIC POSITION, GEOGRAPHICALLY AND POLITICALLY, IN THE DEFENSE OF OUR NATION AND OUR ALLIES.

I AM FIGHTING TO ENSURE WE HAVE A CAPABILITY TO DEFEND ALASKA -- AND I BELIEVE WE ARE SUCCEEDING IN THAT BATTLE. OFTEN, I AM ASKED WHETHER THERE ARE NUCLEAR WEAPONS IN ALASKA. THE SIMPLE ANSWER IS THAT THE LOCATION OF OUR NUCLEAR DEFENSES IS CLASSIFIED. EVEN IF I KNEW THE ANSWER TO THE QUESTION, I COULD NOT REPLY CONSISTENT WITH MY ROLE IN SHAPING DEFENSE POLICY IN THE CONGRESS.

LAST YEAR, I REPORTED TO YOU THAT RESPECTED OIL ECONOMISTS PREDICTED WORLD CRUDE OIL PRICES WOULD COLLAPSE IN 1986. THAT PREDICTION BECAME FACT WITH ASTONISHING SWIFTNES. THE DECLINE IN STATE OIL-RELATED REVENUES HAS CREATED A GREAT FISCAL AND ECONOMIC CRISIS FOR ALL OF US.

AT THE BEGINNING OF THIS YEAR, THOSE SAME ECONOMISTS PREDICTED WORLD OIL PRICES WOULD STABILIZE SOMEWHERE AROUND \$18 DOLLARS A BARREL. -- BUT REPORTS THIS PAST TEN DAYS INDICATE THAT NO ONE REALLY KNOWS WHAT'S HAPPENING IN THE OIL PATCH.

DOMESTIC OIL PRODUCTION HAS DECLINED FROM 9.1 MILLION BARRELS A DAY AT THE BEGINNING OF LAST YEAR TO 8.3 MILLION BARRELS A DAY IN JANUARY OF THIS YEAR, A LOSS OF NEARLY 800,000 BARRELS A DAY. DEMAND IS UP SOMEWHAT, BUT IMPORTS, PARTICULARLY FROM SAUDI ARABIA, ARE UP 25 PERCENT -- MORE THAN 1.2 MILLION BARRELS A DAY FROM THIS TIME LAST YEAR.

OPEC'S DECEMBER AGREEMENT IS FRAGILE, AND COULD COLLAPSE AS A RESULT OF CHEATING BY OPEC MEMBERS SUCH AS IRAQ AND THE UNITED ARAB EMIRATES AND OTHER EVENTS. UNDER THESE CIRCUMSTANCES, OIL PRICES CANNOT RECOVER SOON ENOUGH TO SOLVE ALASKA'S CURRENT CRISIS.

WE ALASKANS ARE AT YET ANOTHER CROSSROADS. THOSE OF US WHO HOLD PUBLIC OFFICE LOOK FOR WAYS NOT ONLY TO DEAL WITH THE IMMEDIATE CRISIS BUT ALSO TO BUILD A STRONGER ECONOMY FOR ALASKA IN THE FUTURE.

SENATOR MURKOWSKI, CONGRESSMAN YOUNG, AND I HAVE BEEN WORKING TO BRING NEW INVESTMENT TO ALASKA TO HELP STABILIZE OUR BELEAGUED ECONOMY AND CREATE JOBS.

2/24/87

* MORE THAN 100 MILLION DOLLARS WILL BE SPENT THIS YEAR IN ALASKA ON CONSTRUCTION PROJECTS ASSOCIATED WITH THE NEW LIGHT INFANTRY DIVISION. MILLIONS MORE WILL BE SPENT ON MILITARY CONSTRUCTION AND OTHER MILITARY ACTIVITIES ELSEWHERE IN ALASKA.

OUR STRATEGIC LOCATION AND THE EXISTENCE OF UNDERUTILIZED MILITARY FACILITIES MAKES ALASKA A NATURAL OPTION FOR THE DEPARTMENT OF DEFENSE TO CONSIDER IN DEPLOYING OUR NATION'S MILITARY FORCES. MY STAFF AND I ARE WORKING TO SEE WHAT NATIONAL DEFENSE NEEDS MATCH UP WITH LOCATIONS IN ALASKA. THIS COULD LEAD TO STATIONING NEW MILITARY UNITS IN ALASKA.

THE LOCAL HIRE LEGISLATION WE SPONSORED SHOULD ENSURE THAT ALASKANS ARE GIVEN FIRST CRACK AT THE SERVICE AND CONSTRUCTION JOBS CREATED BY THIS MILITARY SPENDING.

* AT MY REQUEST, CONGRESS ADDED MILLIONS OF DOLLARS TO THE FISCAL YEAR 1987 INTERIOR APPROPRIATIONS ACT TO FUND THE CONSTRUCTION OF NEW VISITOR FACILITIES IN DENALI NATIONAL PARK, KENAI NATIONAL WILDLIFE REFUGE, AND OTHER FEDERAL CONSERVATION UNITS THROUGHOUT ALASKA. FUNDING FOR THE BLM'S LAND CONVEYANCE PROGRAMS WAS ALSO INCREASED BY NEARLY 8 MILLION DOLLARS.

AND NEARLY 25 MILLION DOLLARS WILL BE SPENT ON WATER RESOURCES AND HARBOR PROJECTS IN ALASKA, INCLUDING 10 MILLION DOLLARS ON CONSTRUCTION ASSOCIATED WITH THE CRATER LAKE PORTION OF THE SNETTISHAM PROJECT HERE IN SOUTHEAST.

FIRST OF ALL, ALTHOUGH THE STATE CANNOT TAX OIL AND GAS RESOURCES ON FEDERAL LAND WHILE THEY ARE IN THE GROUND, IT CAN, TAX THOSE RESOURCES ONCE THEY ARE SEVERED AND TRANSPORTED BY PRIVATE CORPORATIONS. FROM THE STARTUP OF PIPELINE IN 1977 TO MID-1986, SEVERANCE TAXES ON NORTH SLOPE CRUDE HAVE PRODUCED 8.9 BILLION DOLLARS IN REVENUES, ONLY ABOUT 10 PERCENT LESS THAN THE 9.9 BILLION DOLLARS PRODUCED BY THE STATE'S ROYALTY ARRANGEMENTS.

SECOND, THE STATE IS ALSO FREE TO TAX THE INCOME OF THE CORPORATIONS INVOLVED IN THE EXPLORATION AND DEVELOPMENT OF THE COASTAL PLAIN. STATE CORPORATE INCOME TAXES LEVIED ON THE NORTH SLOPE GAS PRODUCERS HAVE PRODUCED 3.1 BILLION DOLLARS IN REVENUES.

IN OTHER WORDS, IF THE ANWR COASTAL PLAIN DOES HOLD ANOTHER PRUDHOE BAY-SIZED FIELD, THE STATE OF ALASKA COULD EXPECT TO RECEIVE ROUGHLY 80 PERCENT OF THE REVENUES WE RECEIVED FROM PRUDHOE BAY EVEN IF ROYALTIES WERE SPLIT 50-50 WITH THE FEDERAL GOVERNMENT.

WE CAN'T AFFORD TO SAY WE WANT 90 PERCENT OR WE'LL OPPOSE OPENING ANWR -- NINETY PERCENT OF NO ROYALTY IS NOTHING. I HOPE WE WILL ALL FOCUS ON MAXIMIZING TOTAL INCOME ALASKA WILL RECEIVE FROM ANWR -- REVENUE SHARING, SEVERANCE AND CORPORATE TAXES, AND PRIVATE SECTOR ECONOMIC ACTIVITY.

I HASTEN TO ADD THAT I'M READY TO DISCUSS AND DEBATE HERE LAND EXCHANGES AND CHANGES IN THE 90-10 SPLIT. BUT, LET'S AVOID HARSH RHETORIC THAT MAY LEAD OUTSIDERS TO CONCLUDE THAT ALASKA ISN'T UNITED IN SEEKING TO OPEN THE COASTAL PLAIN TO OIL AND GAS EXPLORATION.

2/24/87

IF THE ANWR COASTAL PLAIN COULD BE OPENED BY ADMINISTRATIVE ACTION, WE WOULD RECEIVE A 90 PERCENT SHARE OF FEDERAL RECEIPTS FROM OIL AND GAS LEASING. FULL-FLEDGED OIL AND GAS EXPLORATION AND PRODUCTION IN ANWR, HOWEVER, IS EXPRESSLY FORBIDDEN BY THE 1980 ALASKA LANDS ACT. ANWR LANDS ARE NO LONGER "PUBLIC LANDS" -- THE REFUGE WAS SPECIFICALLY SET ASIDE BY AN ACT OF CONGRESS.

OUR STATE WON'T RECEIVE A DIME OF REVENUE UNLESS CONGRESS OPENS THIS AREA TO OIL AND GAS DEVELOPMENT. AND, REGARDLESS OF OUR WISHES, SOME OF OUR MAJOR SUPPORTERS ON ANWR IN CONGRESS ARE ALREADY ADVOCATING AN ADJUSTMENT IN THE 90-10 SPLIT AS PART OF THE PRICE OF OPENING ANWR.

MANY IN CONGRESS REMEMBER THAT REDUCTION OF ALASKA'S SHARE TO 50 PERCENT WAS PART OF THE PRICE OF OPENING THE 23 MILLION ACRE NATIONAL PETROLEUM RESERVE--ALASKA. THAT CHANGE WAS NOT SUGGESTED BY THE ALASKA CONGRESSIONAL DELEGATION. IT WAS A TAKE IT OR LEAVE PROPOSITION. WE TOOK IT. AND, WE DID NOT HEAR ONE OBJECTION FROM THE LEGISLATURE, THE GOVERNOR, OR ANY OTHER ALASKAN. UNFORTUNATELY, DESPITE THE FACT THAT NPRA WAS SET ASIDE FOR FIFTY YEARS AS A PETROLEUM RESERVE, NO PRODUCTION HAS OCCURRED.

THE DEBATE OVER THE LAND EXCHANGES AND THE 90-10 SPLIT LEADS SOME ALASKANS TO ASSUME THAT THE ONLY BENEFIT TO ALASKA FROM OPENING ANWR WOULD BE DIRECT FEDERAL REVENUE SHARING PAYMENTS TO THE STATE TREASURY. YOU KNOW THAT ISN'T THE CASE.

2/24/87

* CONGRESS INCLUDED IN THE 1986 TAX REFORM ACT MY AMENDMENT TO ALLOW ALASKA NATIVE CORPORATIONS TO SELL THEIR NET OPERATING LOSSES TO PROFITABLE CORPORATIONS. THAT PROVISION WILL BOOST LOCAL ECONOMIES AND GIVE MANY FINANCIALLY-TROUBLED NATIVE CORPORATIONS A NEW OPPORTUNITY TO CONTINUE TO PARTICIPATE WITH THE REST OF THE ALASKA ECONOMY. THOSE CORPORATIONS WILL BE ABLE TO PAY THEIR LOCAL DEBTS, REPAY LOCAL BANKS, AND CONTINUE TO BE MAJOR EMPLOYEES IN ALASKA.

* THIS YEAR, TENS OF MILLIONS OF FEDERAL DOLLARS WILL BE SPENT ON SALMON ENHANCEMENT, FISHERIES RESEARCH, FISHERIES MARKET DEVELOPMENT, AND SALMON TREATY IMPLEMENTATION. MOST OF THAT FUNDING WILL DIRECTLY BENEFIT OUR FISHING INDUSTRY.

CONGRESS ALSO APPROVED MY PROPOSAL TO CREATE A NATIONAL SEAFOOD PROMOTIONAL COUNCIL TO ENCOURAGE AMERICANS TO CONSUME MORE SEAFOOD. EXPANSION OF THE DOMESTIC MARKET FOR FISH AND SHELLFISH IS CRUCIAL TO THE FUTURE OF THE ALASKA FISHING INDUSTRY.

* ONE PROJECT THAT COULD GET STARTED IN THE NEAR TERM IS THE ALASKA GAS PIPELINE. MY POLICY IS TO WORK WITH BOTH COMPANIES SEEKING TO TRANSPORT NORTH SLOPE GAS TO MARKET. CURRENT FOREIGN EXCHANGE RATES, LOW INTEREST RATES, AND INCREASED PACIFIC RIM DEMAND HAS INJECTED REAL COMPETITION INTO THIS AREA -- AND, I HOPE YOU'LL AGREE WITH ME THAT WHICHEVER COMPANY CAN GET THE GASLINE GOING FIRST DESERVES OUR TOTAL SUPPORT.

AT MY REQUEST, CONGRESS INCLUDED A PROVISION IN LAST YEAR'S TAX REFORM ACT TO PRESERVE IMPORTANT TAX BENEFITS FOR THE ALASKA NATURAL GAS TRANSPORTATION SYSTEM. I'M NOW WORKING WITH YUKON-PACIFIC TO CLEAR AWAY REGULATORY OBSTACLES THAT CONCERN POTENTIAL CUSTOMERS AND INVESTORS IN THE FAR EAST.

AS I AM SURE YOU ARE, I AM DEDICATED TO SECURING CONGRESSIONAL AUTHORIZATION FOR ENVIRONMENTALLY-SOUND OIL AND GAS EXPLORATION, DEVELOPMENT, AND PRODUCTION ON THE COASTAL PLAIN OF THE ARCTIC NATIONAL WILDLIFE REFUGE. ANWR IS VITAL TO THE LONG-TERM ECONOMIC HEALTH OF ALASKA AND THE LONG-TERM SECURITY OF OUR NATION.

THE TRANS-ALASKA PIPELINE NOW TRANSPORTS 1.8 TO 1.9 MILLION BARRELS A DAY TO VALDEZ. BUT, UNDER CURRENT SCENARIOS, THE PIPELINE WILL MOVE ONLY 500,000 BARRELS A DAY BY THE YEAR 2000. IF THE COASTAL PLAIN WERE OPENED AND EXPLORATION EFFORTS WERE SUCCESSFUL, PRODUCTION FROM THE PLAIN WOULD COME ON LINE AT A CRUCIAL POINT IN THE HISTORY OF ALASKA AND THE NATION.

EARLY ON IN OUR FOUR-YEAR EFFORT TO PREPARE FOR THE ANWR DEBATE, I CAME TO THE REALIZATION THAT IT WOULD BE A MISTAKE TO CHARACTERIZE ANWR AS AN ALASKA ISSUE. UNLESS THE NATION IS PERSUADED THAT EXPLORING THE ANWR COASTAL PLAIN IS NECESSARY TO MAINTAIN OUR ENERGY SECURITY, ANY EFFORT TO OPEN ANWR IS DOOMED.

ALASKANS ALONE CANNOT CONVINCE THE NATION AND CONGRESS OF ANWR'S IMPORTANCE TO NATIONAL SECURITY. WE MUST WORK WITH ORGANIZATIONS AND INDIVIDUALS THROUGHOUT THE REST OF THE COUNTRY TO GET THAT MESSAGE ACROSS.

UNFORTUNATELY, DEBATE WITHIN ALASKA OVER THE MERITS OF LAND EXCHANGES AND POSSIBLE MODIFICATIONS OF THE 90-10 REVENUE SHARING FORMULA MAY INTERFERE WITH OUR EFFORTS TO ORGANIZE A NATIONAL ANWR MOVEMENT.

IF THE TIDE TURNS AGAINST US IN CONGRESS ON ANWR, A WELL-PLANNED SERIES OF ADMINISTRATIVE LAND EXCHANGES MAY ULTIMATELY PROVE TO BE THE ONLY OPTION WE HAVE TO FORCE A THOROUGH EXAMINATION OF THE COASTAL PLAIN'S OIL AND GAS RESOURCES.

I HAVE INDICATED BEFORE THAT IN THE INTERESTS OF GETTING THE COASTAL PLAIN OPENED, ALASKA MIGHT HAVE TO ACCEPT A MODIFICATION OF THE 90-10 REVENUE-SHARING FORMULA. ONE PROPOSAL ALREADY BEING DISCUSSED WOULD DEVOTE A SUBSTANTIAL PORTION OF THE REVENUE FROM ANWR TO FINANCE A NATIONAL WILDLIFE REFUGE AND NATIONAL PARK MANAGEMENT FUND, A MOVE THAT WOULD BROADEN SUPPORT FOR OPENING ANWR IN CONGRESS.

HAVING WORKED TO PUT THE 90-10 DISTRIBUTION INTO THE STATEHOOD ACT, I AM AS CONCERNED ABOUT PROTECTING THE STATE'S FISCAL INTEREST AS ANYONE.

UNDER THAT FORMULA, ALASKA RECEIVES 90 PERCENT OF ALL FEDERAL REVENUES FROM MINERAL DEVELOPMENT ON PUBLIC LANDS IN ALASKA INSTEAD OF THE 50 PERCENT SHARE THAT OTHER STATES RECEIVE. THE JUSTIFICATION FOR THAT SPECIAL TREATMENT WAS THAT ALASKA AGREED NOT TO SHARE IN THE FEDERAL RECLAMATION FUND WHICH RECEIVES 40 PERCENT OF FEDERAL MINERAL REVENUES FROM PUBLIC LANDS IN THE LOWER 48 STATES AND HAWAII.

No. 225

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version : SJR 21
Publish Date : 4-10-87

REQUEST: _____
Revision Date: _____
Title: Requesting the President of
the U.S. ... international freeze
Sponsor: _____
Requestor: _____

Agency Affected: _____
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

[Empty box for analysis]

Prepared by : _____ Phone : _____
Division : _____ Date : _____
Approved by CHAIRMAN Senator, *Neil R. Abernethy* Date : 4/8/87
Agency : Senate State Affairs

- Distribution (by preparer) :
- Legislative Finance
 - Legislative Sponsor
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 - Office of Management and Budget
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 - Senate Secretary