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ALASKA STATE SENATE

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~~Special Committee on Electoral Reform~~

SUMMARY AND STATISTICS
ON
ELECTION QUESTIONNAIRES

May 22, 1979
Senator Tim Kelly, Chairman

INTRODUCTION

The Senate Special Committee on Electoral Reform was created at the onset of the Eleventh State Legislature for the purpose of reviewing and updating current election statutes and procedures. Senator Kelly was appointed Chairman of the committee, and Senators Mulcahy and Fahrenkamp serving as members.

The Committee determined that one of the first steps in locating the problem areas of the 1978 elections was to contact those people who were directly involved in the election process. Three groups were selected and sent specific questionnaires relating to their function in the election. These groups were: Voter Registrars, who are responsible for the actual registering of individuals; Election Board Members, who administer election procedures at precinct polling places; and Local Officials, the Municipal clerks who administer local elections.

A total of 3,812 questionnaires were mailed out in February, 1979, and as of May 1, 42% had been returned. Many were received after May 1, and will be handled separately. These statistics indicate only those questionnaires received prior to May 1. Below is the breakdown for each group.

	<u># sent out</u>	<u># returned</u>	<u>% of return</u>
VOTER REGISTRARS	1159	559	48%
ELECTION BOARD MEMBERS	2483	981	40%
LOCAL OFFICIALS	<u>170</u>	<u>55</u>	<u>32%</u>
TOTAL	3812	1595	42%

Returns from Election Board Members and Voter Registrars represented all 22 Election Districts in the State. The majority of the returns for the Local Officials were from Boroughs and Home Rule Cities.

REGIONAL ELECTION OFFICES

There are four Regional Election Offices in Alaska. Within each Regional Office is an Election Supervisor who oversees the election process for the Election Districts within each region. The location of the Regional Offices and the election districts each serves are as follows:

SOUTHEAST REGIONAL OFFICE - JUNEAU

District 1-Ketchikan
2-Wrangell-Petersburg
3-Sitka
4-Juneau

SOUTHCENTRAL REGIONAL OFFICE - ANCHORAGE

District 5-Cordova-Valdez-Seward
6-Palmer
7-Anchorage-Northwest
8-Anchorage-Northeast
9-Anchorage-Spenard
10-Anchorage-East
11-Anchorage-South
12-Anchorage-West
13-Kenai-Cook Inlet
14-Kodiak
15-Aleutian Chain

CENTRAL REGIONAL OFFICE - FAIRBANKS

District 16-Bristol Bay
19-Yukon-Tanana
20-Fairbanks

NORTHWEST REGIONAL OFFICE - NOME

District 17-Bethel
18-Wade-Hampton (Lower Yukon)
21-Barrow-Kobuk
22-Nome

The Statistics for the questionnaires are given by Region and broken down into districts (Appendix A). The questionnaires appear in Appendix B. Approximately one-half of the questionnaires were returned with comments and suggestions, while the remainder only replied to the yes/no questions. The comments have been summarized by category in this report, and additional frequent occurring comments are listed.

SUMMARY OF STATEWIDE RESPONSES TO THE QUESTIONS, AND COMMENTS RECEIVED

I. TRAINING

A. Voter Registrars

Statewide, 73% of the voter registrars felt the training they received was adequate. The Central Region (Fbks), showed the highest percentage, with 84% reporting satisfaction with the training, while the Northwest Region (Nome), showed the lowest percentage, with only 41% of the responding voter registrars in that Region reporting they were properly trained for the job. *

Overall, the training in the urban areas of the state for voter registrars was felt to be satisfactory, with the exception of Ketchikan, while the training in the rural areas was considered inadequate with the exceptions of Districts 2, 16, and 19.

Comments on training for this job indicate that many villages have had little formalized training, however, they are supplied with written instructions. These instructions are often difficult to understand for workers in remote communities. A frequent suggestion in regard to training was that election year refresher courses be held for all registrars. It was also brought out that the responsibilities of a registrar should be very clear at the time a person becomes one, and if they fail to turn in applications by the 30 day deadline, they should be dismissed from the job.

B. Election Board Members

78% of the Election Board Members responding felt that their training for this position was adequate. In the Central Region, 99% of the Fairbanks Board Members reported they were adequately trained. Anchorage Election Board Members reported 68% as satisfied with their training. The villages in the Northwest Region showed the lowest percentage of satisfied workers, with 45% replying their training was inadequate.

Election Board Members throughout the state felt that a mock-up election day situation with all the different problems that arise would be ex-

tremely beneficial to workers. There were several complaints on the mass training session held in Anchorage prior to the 1978 elections. (i.e., the acoustics were poor, many questions went unanswered, and the session was geared more toward being a refresher course for those who had previously worked as election board members, rather than an initial training course for new election board members.) In comparison, several people commented on the excellent quality of the Municipality of Anchorage training session for election workers. Election Board Members in villages throughout the state generally felt they need more training to perform their duties. In several rural areas, one person is relied on to answer all questions that arise. If something should happen to that person, election workers in the villages would have to direct all questions to the regional office. This presents a problem in that phone service is often poor from remote locations.

II. COMMUNICATIONS AND COOPERATION WITH REGIONAL ELECTION OFFICES.

93% of the returns show that communications with the Regional Election Offices are satisfactory. The Southeast and Central Regional Offices appear to be serving their districts very well. Comments from the largest bloc, Anchorage, indicate that the Election Office was sometimes slower to respond to problems encountered by voter registrars.

Comments from District 17 show that Bethel residents would like to see an Election Office in Bethel. Currently Bethel reports to the Nome Office, which is quite a distance, in addition to being difficult to reach by phone at times. Again, several rural communities commented on the difficulty of calling in results and seeking answers to questions because of poor phone service.

III. VOTING MACHINES

Election Board Members were asked to comment on the punch card voting machines used in Anchorage, Fairbanks, and Juneau. It was suggested the machines be cleaned and checked prior to each election, and that an extra machine be available at each polling place in case one malfunctions.

The following complaints were received on voting machines:

- the machines are difficult to align correctly, particularly for voters with bifocals
- the shelves on which the machine sits are very unstable, causing voters to punch incorrectly
- Difficult for short people to see the ballot (shelves are too high)
- elderly citizens are skeptical of the machines
- many voters mark only one side of the ballot

Several comments stated that some voters are somewhat distrustful of the computer method of counting votes.

IV. ADEQUACY OF POLLING PLACES AND THE NUMBER OF BOOTHS IN EACH PRECINCT

Many precincts indicated they could use additional voting booths. Generally, the longer the ballot, the greater the need for additional voting booths. Long waiting lines appear to cause the voter to become impatient and sometimes leave the polls without casting a ballot. The most frequent complaint received on the polling places was that the school hallways are very crowded during school hours. Poor lighting in some precincts was a problem, and a few rural communities commented on the lack of restroom facilities.

V. PROCEDURES FOR HANDLING QUESTIONED BALLOTS

Statewide, 72% of the Election Board Members felt the procedures for handling questioned ballots were adequate and should not be changed. Two districts, 14 (Kodiak), and 10 (East Anchorage), showed a higher than average percentage felt the procedures for handling questioned ballots should be changed. It can be surmised that the reasons for these particular districts showing a greater need to change the procedures on these ballots is that Kodiak has a large number of fisherman whose residency may be questioned and who do not meet the registration deadline because of fishing season. District 10, East-Anchorage, (a rapidly growing area), underwent precinct boundary changes following the unification of the City and Municipality in 1975. This may have caused confusion for voters in determining which precinct they were in.

Hundreds of comments were received on the inadequacy of the print out list of registered voters, resulting in numerous voters casting questioned ballots. Voters who were known to be registered in a precinct, who had voted there for years, suddenly were omitted from the list of registered voters for no apparent reason. In Chicken, a woman who had voted in every election since 1946 was not listed on the print-out in the 1978 general election. Other voters, who had turned in at least one, sometimes two or more re-registration forms for address or name changes were still not listed in the correct precinct. Deceased persons, and those who have been gone from a precinct for years continue to appear on the list. THE NEED FOR UP-TO-DATE, ACCURATE VOTER REGISTRATION LISTS WAS BY FAR THE MOST FREQUENT COMMENT RECEIVED ON THIS QUESTIONNAIRE. Long waiting lines, disgruntled voters, re-registering at the polls, and filling out numerous forms were complaints received over and over which were attributable to the inadequate voter lists. Several Election Board Members believed that a more up-to-date register would alleviate a great number of the questioned ballots. Also, many commented that the two envelopes used for the questioned ballots were too lengthy, they need to be shorter and simpler.

Comments indicated voters are often skeptical of voting by questioned ballots, particularly if it happens time after time. They are fearful that their vote will not be counted, and they never really find out if it was counted. It was suggested that those people casting questioned ballots should be notified by mail if their vote was counted. This would be encouraging to the voter and he would not be so reluctant to vote in the next election. Also suggested was that the public needs to be better educated as to the exact procedures used with these ballots.

Many Election Board Members suggested that questioned ballots be counted sooner, and that they should be tallied into the final vote of the precinct in which they were cast. Presently all the questioned ballots cast in a district are lumped into one total. Board members mentioned they would like to know the decision on the questioned ballots cast in their precinct, if the votes were counted, and if not, why.

A reoccurring comment from the Anchorage districts was that one election board member from each precinct should be well trained in working with questioned ballots and that person should maintain a separate table for those ballots.

Questioned ballots appear to be more of a problem in the urban districts than in the rural districts. It was recommended that each precinct be given a map of their district with the precinct boundary lines within that district clearly defined. This could be used in pointing out to a voter the precinct in which he lives, and his correct polling place. At that point he could have the choice of whether to cast a questioned ballot in the incorrect precinct or going to his correct polling place and casting a regular ballot. It was also suggested that each precinct be supplied with a district wide alphabetical list of registered voters in the district, which would allow voters to cast regular ballots in any precinct in his district (cross-precinct voting).

The many comments received on questioned ballots show that the initial training for the voter registrars plays an important role in getting voters registered in the correct precinct, and consequently the reliability of the print-out of registered voters. It was suggested it be stressed to voter registrars that they turn in the completed forms 30 days prior to an election. On the voter registration form there is a box where the precinct is to be marked, and it was suggested that this should be done only by the Regional Election Offices, not the voter registrar, because the elections office should be better acquainted with the precinct boundaries, and there would be less chance of error.

Overall, comments show that incorrect print-out lists of registered voters are most responsible for the large number of questioned ballots cast, and resulting confusion.

REOCCURRING SUGGESTIONS RELATING TO VOTER REGISTRATION

1. Close registration 30 days prior to an election, except for address and name changes.
2. Increase the residency from 30 days to 6 months, or 1 year.
3. Eliminate registration at the polls, it causes confusion.
4. Voter education in high schools, registration drives for graduating seniors.
5. Simplify Voter registration forms.
6. Proof of residency should be shown when registering.
7. I.D. should be shown when registering and when voting.
8. Registration forms should include a space to indicate if a person is registered in another state.
9. Forms should include a space to mark if the registration is a change of address or name.
10. Designate one public location in each community as a place where people can register to vote year around, and publicize this.
11. Drop registrars if they haven't registered anyone in 1 year, or if they turn in too many incorrect registrations.
12. Have the post office notify the elections office of all address changes they receive, coroners report all deaths, and the clerk of the court report all marriages for name changes and notification of felons.
13. Publish names and locations of all voter registrars in the paper and run ads on T.V.
14. Hot Line for Voter information 3 months prior to elections.
15. The public needs to know that registering to vote is NOT the only means of choosing jurors for jury duty. Many registrars commented that people were reluctant to vote because they thought it was how jurors were chosen.
16. Do not try and increase the number of registered voters but rather make an attempt to educate and reach those who are registered. There is no need to force people to register, we need to have those that are registered vote.

MOST COMMON AND FREQUENT PROBLEMS

1. INACCURATE VOTER LISTS.
2. Voters unsure of their correct precinct.
3. Overuse of questioned ballots.
4. Running out of ballots.
5. Uninformed voter seeking advice from election officials.
6. Independents should be allowed to work as Election Board Members.
7. Pay should be increased for Election Board Members.
8. Different crew of election workers should come in for the counting after 8 p.m. in those precincts using paper ballots, after 4pm in punch card ballot precincts.

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9. Campaign material near polling places.
 10. Black ballot holders, voters did not want to be bothered with them.
 11. Long waiting lines after 5 pm.
 12. Voters not receiving Voter Registration cards.
 13. Positive Identification should be required at the time of registering and at the polls to prevent voter fraud.
 14. People should have to vote in the correct precinct.
 15. Better training for Election Board Members.
 16. Public information on the computer counting, if the public were informed about the use of electronic equipment in elections, there would not be as much doubt about fraud in programming.

COMMENTS AND PROBLEMS UNIQUE TO THE RURAL DISTRICTS

1. Election Pamphlets do not arrive in remote locations in time. Some did not receive them until after the election, others just before and voters did not have time to read them.
2. Need interpreters for those who have trouble reading English.
3. THE BONDING PROPOSITIONS AND BALLOT INITIATIVES SHOULD APPEAR IN SIMPLER WORDING.
4. Voters not understanding or following procedures for voting.
5. Running out of Ballots
6. POOR PHONE SERVICE FOR CALLING IN RESULTS AND CONTACTING THE REGIONAL OFFICE.

LOCAL OFFICIALS

Of the 55 City of Municipal Clerks responding to the questionnaire, 34% replied they felt the state and municipal elections should be consolidated. Comments on this showed that consolidation of the elections would reduce the cost for local governments, and it would increase the voter turn-out for local elections. 66% did not want the two elections consolidated, and their comments indicate that it would be very confusing, the ballot would be too long, and it would mean less control of local elections.

Municipal and City Clerks were asked if the state should provide additional assistance in local elections, and 51% responded yes. Comments varied on this question, a few Borough Clerks replied cities should offer the state assistance. The most frequent comment was that the rules and procedures for state and local elections should be the same, and the same officials should be used for both elections.

In regard to the turn-out for local elections, comments show the public needs to be better educated as to the importance of issues in local elections. It was suggested that local elections need more publicity.

APPENDIX A

SOUTHEAST REGION

District 1-Ketchikan
 2-Petersburg-Wrangell
 3-Sitka
 4-Juneau

	<u># mailed out</u>	<u># returned</u>	<u>%</u>
VOTER REGISTRARS	204	93	46%
ELECTION BOARD MEMBERS	<u>333</u>	<u>199</u>	<u>60%</u>
TOTAL	537	292	54%

BREAKDOWN BY DISTRICT OF ELECTION BOARD MEMBERS

<u>District</u>	<u># mailed out</u>	<u># returned</u>	<u>%</u>
1	113	54	48%
2	49	33	68
3	53	33	62
4	<u>118</u>	<u>79</u>	<u>67</u>
TOTAL	333	199	60%

SOUTHEAST REGIONAL OFFICE
VOTER REGISTRARS

QUESTION #1: DID YOU ENCOUNTER ANY DIFFICULTIES IN
BECOMING A VOTER REGISTRAR?

AVERAGE 5% YES

94% NO

	<u>YES</u>	<u>NO</u>
District #1	7%	93%
District #2	7	93
District #3	0	100
District #4	8	92

QUESTION #2: WAS TRAINING ADEQUATE?

AVERAGE 65% YES

35% NO

	<u>YES</u>	<u>NO</u>
District #1	44%	56%
District #2	73	27
District #3	55	45
District #4	76	24

QUESTION #3: WERE COMMUNICATIONS AND COOPERATION WITH
THE REGIONAL ELECTIONS OFFICE SATISFACTORY?

AVERAGE 91% YES

9% NO

	<u>YES</u>	<u>NO</u>
District #1	92%	8%
District #2	100	0
District #3	70	30
District #4	93	7

SOUTHEAST REGIONAL OFFICE
VOTER REGISTRARS

QUESTION #5: WERE THE NECESSARY FORMS READILY AVAILABLE
TO YOU?

AVERAGE 96% YES

4% NO

	<u>YES</u>	<u>NO</u>
District #1	96%	4%
District #2	93	7
District #3	100	0
District #4	95	5

SOUTHEAST REGIONAL OFFICE
ELECTION BOARD MEMBERS

QUESTION #1: WAS TRAINING ADEQUATE?

AVERAGE 85% YES

15% NO

	<u>YES</u>	<u>NO</u>
District #1	67%	33%
District #2	73	27
District #3	70	30
District #4	94	6

QUESTION #2: ARE ADDITIONAL ELECTION OFFICIALS NEEDED
AT THE POLLS?

AVERAGE 28% YES

72% NO

	<u>YES</u>	<u>NO</u>
District #1	17%	83%
District #2	39	61
District #3	19	81
District #4	32	68

QUESTION #5: ARE ADDITIONAL BOOTHS NEEDED AT THE POLLING
PLACES?

AVERAGE 32% YES

68% NO

	<u>YES</u>	<u>NO</u>
District #1	35%	65%
District #2	36	64
District #3	19	81
District #4	35	65

SOUTHEAST REGIONAL OFFICE
ELECTION BOARD MEMBERS

QUESTION #6: ARE THE POLLING PLACES ADEQUATE?

AVERAGE 88% YES

12% NO

	<u>YES</u>	<u>NO</u>
District #1	94%	6%
District #2	88	12
District #3	100	0
District #4	78	22

QUESTION #7: SHOULD THE PROCEDURES FOR QUESTIONED
BALLOTS BE CHANGED?

AVERAGE 34% YES

66% NO

	<u>YES</u>	<u>NO</u>
District #1	33%	67%
District #2	40	60
District #3	43	57
District #4	30	70

SOUTHCENTRAL REGION

District 5-Seward,Cordova, Valdez
 6-Palmer
 7-Anchorage-Northwest
 8-Anchorage Northeast
 9-Anchorage-Spenard
 10-Anchorage-East

District 11-Anchorage-South
 12-Anchorage-West
 13-Kenai-Cook Inlet
 14-Kodiak
 15-Aleutian Chain

	<u>#mailed out</u>	<u># returned</u>	<u>%</u>
VOTER REGISTRARS	580	319	55%
ELECTION BOARD MEMBERS	1276	458	36%
TOTAL	1856	777	42%

BREAKDOWN OF ELECTION BOARD MEMBERS BY DISTRICT

	<u># mailed out</u>	<u># returned</u>	<u>%</u>
5	126	44	35%
6	195	87	40
7	75	33	44
8	98	41	42
9	48	20	42
10	88	39	44
11	114	50	44
12	96	39	41
13	288	60	21
14	66	21	32
15	82	24	29
TOTAL	1287	458	36%

SOUTHCENTRAL REGIONAL OFFICE
VOTER REGISTRAR

QUESTION #1: DID YOU ENCOUNTER ANY DIFFICULTIES IN
BECOMING A VOTER REGISTRAR?

AVERAGE 7% YES
93% NO

	<u>YES</u>	<u>NO</u>
District #7-12 ANCHORAGE	8%	92%
District #5	-	100
District #6	12	88
District #13	3	97
District #14	-	100
District #15	-	100

QUESTION #2: WAS TRAINING ADEQUATE?

AVERAGE 78% YES
22% NO

	<u>YES</u>	<u>NO</u>
District #7-12 ANCHORAGE	83%	17%
District #5	79	21
District #6	72	28
District #13	72	28
District #14	40	60
District #15	50	50

SOUTHCENTRAL REGIONAL OFFICE
VOTER REGISTRAR

QUESTION #3: WERE COMMUNICATIONS AND COOPERATION WITH
THE REGIONAL ELECTIONS OFFICE SATISFACTORY?

AVERAGE 94% YES

6% NO

	<u>YES</u>	<u>NO</u>
District #7-12 ANCHORAGE	96%	4%
District #5	95	6
District #6	84	16
District #13	91	9
District #14	100	-
District #15	92	8

QUESTION #5: WERE THE NECESSARY FORMS READILY AVAILABLE TO YOU?

AVERAGE 94% YES

6% NO

	<u>YES</u>	<u>NO</u>
District #7-12 ANCHORAGE	96%	4%
District #5	95	6
District #6	91	9
District #13	88	12
District #14	91	9
District #15	83	17

SOUTHCENTRAL REGIONAL OFFICE
OUTLYING DISTRICTS
ELECTION BOARD MEMBERS

QUESTION #1: WAS TRAINING ADEQUATE?

AVERAGE: 84% YES

16% NO

	<u>YES</u>	<u>NO</u>
District #5	95%	5%
District #6	87	13
District #13	96	4
District #14	75	25
District #15	33	67

QUESTION #2: ARE ADDITIONAL ELECTION OFFICIALS NEEDED
AT THE POLLS?

AVERAGE 37% YES

63% NO

	<u>YES</u>	<u>NO</u>
District #5	31%	69%
District #6	43	57
District #13	37	63
District #14	44	56
District #15	19	81

SOUTHCENTRAL REGIONAL OFFICE
OUTLYING DISTRICTS
ELECTION BOARD MEMBERS

QUESTION #5: ARE ADDITIONAL BOOTHS NEEDED AT THE
POLLING PLACES?

AVERAGE 51% YES
49% NO

	<u>YES</u>	<u>NO</u>
District #5	45%	55%
District #6	61	39
District #13	45	55
District #14	63	37
District #15	33	67

QUESTION #6: ARE THE POLLING PLACES ADEQUATE ?

AVERAGE 88% YES
12% NO

	<u>YES</u>	<u>NO</u>
District #5	93%	7%
District #6	87	13
District #13	96	4
District #14	69	31
District #15	80	20

SOUTHCENTRAL REGIONAL OFFICE
OUTLYING DISTRICTS
ELECTION BOARD MEMBERS

QUESTION #7: SHOULD THE PROCEDURES FOR QUESTIONED
BALLOTS BE CHANGED?

AVERAGE 25% YES

75% NO

	<u>YES</u>	<u>NO</u>
District #5	23%	77%
District #6	26	74
District #13	23	77
District #14	57	43
District #15	9	91

SOUTHCENTRAL REGIONAL OFFICE
ALL ANCHORAGE DISTRICTS
ELECTION BOARD MEMBERS

QUESTION #1: WAS TRAINING ADEQUATE?

AVERAGE 68% YES

32% NO

	<u>YES</u>	<u>NO</u>
District #7	59%	41%
District #8	73	27
District #9	83	17
District #10	69	33
District #11	63	27
District #12	68	32

QUESTION #2: ARE ADDITIONAL ELECTION OFFICIALS NEEDED
AT THE POLLS?

AVERAGE 46% YES

54% NO

	<u>YES</u>	<u>NO</u>
District #7	25%	75%
District #8	55	45
District #9	33	67
District #10	53	47
District #11	49	51
District #12	50	50

SOUTHCENTRAL REGIONAL OFFICE
ALL ANCHORAGE DISTRICTS
ELECTION BOARD MEMBERS

QUESTION #5: ARE ADDITIONAL BOOTHS NEEDED AT
THE POLLING PLACE?

AVERAGE 57% YES

43% NO

	<u>YES</u>	<u>NO</u>
District #7	35%	65%
District #8	63	37
District #9	54	46
District #10	58	42
District #11	69	31
District #12	54	46

QUESTION #6: ARE THE POLLING PLACES ADEQUATE?

AVERAGE 79% YES

21% NO

	<u>YES</u>	<u>NO</u>
District #7	64%	36%
District #8	93	7
District #9	92	8
District #10	77	23
District #11	76	24
District #12	73	27

SOUTHCENTRAL REGIONAL OFFICE
ALL ANCHORAGE DISTRICTS
ELECTION BOARD MEMBERS

QUESTION #7: SHOULD THE PROCEDURES FOR QUESTIONED
BALLOTS BE CHANGED?

AVERAGE 42% YES

58% NO

	<u>YES</u>	<u>NO</u>
District #7	43%	57%
District #8	46	54
District #9	29	71
District #10	60	40
District #11	34	66
District #12	43	57

CENTRAL REGION

District 16-Bristol Bay
 19- Yukon-Tanana
 20-Fairbanks

	# mailed out	# returned	%
VOTER REGISTRARS	<u>272</u>	<u>102</u>	<u>38%</u>
ELECTION BOARD MEMBERS	<u>446</u>	<u>187</u>	<u>42%</u>
TOTAL	718	289	40%

BREAKDOWN BY DISTRICT OF ELECTION BOARD MEMBERS

District	#mailed out	# returned	%
16	96	28	30%
19	132	48	36%
20	<u>218</u>	<u>111</u>	<u>51%</u>
TOTAL	446	187	42%

CENTRAL REGIONAL OFFICE
VOTER REGISTRAR

QUESTION #1: DID YOU ENCOUNTER ANY DIFFICULTIES IN
BECOMING A VOTER REGISTRAR?

AVERAGE 5% YES
95% NO

	<u>YES</u>	<u>NO</u>
District #16	6%	94%
District #19	6	94
District #20	2	98

QUESTION #2: WAS TRAINING ADEQUATE:

AVERAGE 84% YES
16% NO

	<u>YES</u>	<u>NO</u>
District #16	65%	35%
District #19	94	6
District #20	91	9

QUESTION #3: WERE COMMUNICATIONS AND COOPERATION WITH
THE REGIONAL ELECTIONS OFFICE SATISFACTORY?

AVERAGE 95% YES
5% NO

	<u>YES</u>	<u>NO</u>
District #16	88%	12%
District #19	100	-
District #20	98	2

CENTRAL REGIONAL OFFICE
VOTER REGISTRAR

QUESTION #5: WERE THE NECESSARY FORMS READILY AVAILABLE
TO YOU?

AVERAGE 100% YES

-- NO

	<u>YES</u>	<u>NO</u>
District #16	100%	-
District #19	100	-
District #20	100	-

CENTRAL REGIONAL OFFICE
ELECTION BOARD MEMBERS

QUESTION #1: WAS TRAINING ADEQUATE?

AVERAGE 92% YES

8% NO

	<u>YES</u>	<u>NO</u>
District #16	72%	28%
District #19	89	11
District #20	96	4

QUESTION #2: ARE ADDITIONAL ELECTION OFFICIALS NEEDED
AT THE POLLS?

AVERAGE 21% YES

79% NO

	<u>YES</u>	<u>NO</u>
District #16	17%	83%
District #19	11	89
District #20	27	73

QUESTION #5: ARE ADDITIONAL BOOTHS NEEDED AT THE POLLING
PLACES?

AVERAGE 33% YES

67% NO

	<u>YES</u>	<u>NO</u>
District #16	25%	75%
District #19	14	86
District #20	43	57

CENTRAL REGIONAL OFFICE
ELECTION BOARD MEMBERS

QUESTION #6: ARE THE POLLING PLACES ADEQUATE?

AVERAGE 91% YES

9% NO

	<u>YES</u>	<u>NO</u>
District #16	88%	12%
District #19	93	7
District #20	91	9

QUESTION #7: SHOULD THE PROCEDURES FOR QUESTIONED
BALLOTS BE CHANGED?

AVERAGE 16% YES

84% NO

	<u>YES</u>	<u>NO</u>
District #16	14%	86%
District #19	12	88
District #20	27	73

NORTHWEST REGION

District 17-Bethel

18-Wade-Hampton (Lower Yukon)

21-Barrow-Kobuk

22-Nome

	<u># mailed out</u>	<u># returned</u>	<u>%</u>
VOTER REGISTRARS	103	45	44%
ELECTION BOARD MEMBERS	<u>428</u>	<u>137</u>	<u>32%</u>
TOTAL	531	182	34%

BREAKDOWN OF ELECTION BOARD MEMBERS BY DISTRICT

District	<u># mailed out</u>	<u># returned</u>	<u>%</u>
17	117	35	30%
18	129	36	28%
21	75	23	31%
22	<u>107</u>	<u>43</u>	<u>40%</u>
TOTAL	428	137	32%

NORTHWEST REGIONAL OFFICE
VOTER REGISTRAR

QUESTION #1: DID YOU ENCOUNTER ANY DIFFICULTIES IN
BECOMING A VOTER REGISTRAR?

AVERAGE 14% YES
86% NO

	<u>YES</u>	<u>NO</u>
District #17	-	100%
District #18	23	77
District #21	23	77
District #22	10	90

QUESTION #2: WAS TRAINING ADEQUATE?

AVERAGE 44% YES
56% NO

	<u>YES</u>	<u>NO</u>
District #17	46%	54%
District #18	28	72
District #21	33	67
District #22	67	33

QUESTION #3: WERE COMMUNICATIONS AND COOPERATION WITH THE
REGIONAL ELECTIONS OFFICE SATISFACTORY?

AVERAGE 84% YES
16% NO

	<u>YES</u>	<u>NO</u>
District #17	85%	15%
District #18	83	17
District #21	67	33
District #22	100	-

NORTHWEST REGIONAL OFFICE
VOTER REGISTRAR

QUESTION #5: WERE THE NECESSARY FORMS READILY AVAILABLE
TO YOU?

AVERAGE 91% YES
9% NO

	<u>YES</u>	<u>NO</u>
District #17	85%	15%
District #18	92	8
District #21	88	12
District #22	100	-

NORTHWEST REGIONAL OFFICE
ELECTION BOARD MEMBERS

QUESTION #1: WAS TRAINING ADEQUATE?

AVERAGE 55% YES

45% NO

	<u>YES</u>	<u>NO</u>
District #17	60%	40%
District #18	46	54
District #21	47	53
District #22	61	39

QUESTION #2: ARE ADDITIONAL ELECTION OFFICIALS NEEDED
AT THE POLLS?

AVERAGE 39% YES

61% NO

	<u>YES</u>	<u>NO</u>
District #17	44%	56%
District #18	32	68
District #21	19	81
District #22	47	53

QUESTION #5: ARE ADDITIONAL BOOTHS NEEDED AT THE
POLLING PLACES?

AVERAGE 25% YES

75% NO

	<u>YES</u>	<u>NO</u>
District #17	34%	66%
District #18	16	84
District #21	12	88
District #22	28	72

NORTHWEST REGIONAL OFFICE
ELECTION BOARD MEMBERS

QUESTION #6: ARE THE POLLING PLACES ADEQUATE?

AVERAGE 92% YES

8% NO

	<u>YES</u>	<u>NC</u>
District #17	97%	3%
District #18	88	12
District #21	75	25
District #22	95	5

QUESTION #7: SHOULD THE PROCEDURE FOR QUESTIONED BALLOTS
BE CHANGED?

AVERAGE 12% YES

88% NO

	<u>YES</u>	<u>NO</u>
District #17	20%	80%
District #18	8	92
District #21	6	94
District #22	11	89

APPENDIX B

SENATE SPECIAL COMMITTEE ON ELECTORAL REFORM
POUCH V
JUNEAU, ALASKA 99811
465-3822

QUESTIONNAIRE-VOTER REGISTRAR

1. DID YOU ENCOUNTER ANY DIFFICULTIES IN BECOMING A REGISTRAR?

_____ YES _____ NO

If Yes, What?

2. DO YOU FEEL THE INITIAL TRAINING YOU RECEIVED WAS ADEQUATE?

_____ YES _____ NO

If Not, Why?

3. WERE COOPERATION AND COMMUNICATIONS WITH THE DISTRICT ELECTIONS OFFICE SATISFACTORY?

_____ YES _____ NO

If No, How Can This Be Improved?

4. WHAT SPECIFIC PROBLEMS, IF ANY, DID YOU FIND IN THE ACTUAL REGISTERING OF PEOPLE?

5. WERE ALL THE NECESSARY FORMS READILY AVAILABLE TO YOU?

_____ YES _____ NO

6. DO YOU HAVE ANY SUGGESTIONS AS TO HOW WE MIGHT INCREASE THE NUMBER OF REGISTERED VOTERS?

7. ADDITIONAL COMMENTS:

NAME: _____

ADDRESS: _____

CITY: _____ ZIP CODE: _____

PHONE: _____

SENATE SPECIAL COMMITTEE ON ELECTORAL REFORM
POUCH V
JUNEAU, ALASKA 99811
465-3822

QUESTIONNAIRE-ELECTION OFFICIALS

1. DO YOU FEEL THE TRAINING YOU RECEIVED ENABLED YOU TO PERFORM EFFECTIVELY IN YOUR POSITION?

_____ YES _____ NO

If No, Why Not?

2. ARE ADDITIONAL ELECTION OFFICIALS NEEDED AT CERTAIN HOURS? (early morning, noon, evening)

_____ YES _____ NO

3. WHAT WAS THE MOST COMMON PROBLEM YOU ENCOUNTERED AT THE POLLS?

4. ARE THERE ANY SERIOUS PROBLEMS WITH THE PRESENT PUNCH CARD VOTING MACHINE?

5. SHOULD THE NUMBER OF VOTING BOOTHS OR VOTING MACHINES BE INCREASED AT THE POLLING PLACE YOU SERVE?

_____ YES _____ NO

6. IS THE POLLING PLACE ADEQUATE AND CONVENIENT?

_____ YES _____ NO

If Not, Why?

7. SHOULD PROCEDURES FOR HANDLING QUESTIONED BALLOTS BE CHANGED?

_____ YES _____ NO

If Yes, Comment:

8. ADDITIONAL COMMENTS AND SUGGESTIONS.

NAME: _____

PRECINCT # _____

CITY: _____

ZIP CODE: _____

PHONE: _____

SENATE SPECIAL COMMITTEE ON ELECTORAL REFORM
POUCH V
JUNEAU, ALASKA 99811
465-3822

QUESTIONNAIRE-LOCAL OFFICIALS

1. ARE YOU IN FAVOR OF CONSOLIDATING LOCAL AND STATE ELECTIONS?

_____ YES _____ NO

Comments:

2. SHOULD THE STATE PROVIDE ADDITIONAL ASSISTANCE IN LOCAL ELECTIONS?

_____ YES _____ NO

Comments:

3. HOW CAN WE INCREASE THE NUMBER OF VOTERS IN LOCAL ELECTIONS?

4. WHAT SPECIFIC CHANGES WOULD YOU RECOMMEND IN IMPROVING AND SIMPLIFYING ELECTIONS?

5. ANY COMMENTS ON SB 126, 127:

6. ADDITIONAL SUGGESTIONS:

NAME: _____

ADDRESS: _____

CITY: _____ ZIP CODE: _____

PHONE: _____

June 13, 1979

Mr. Tony Knowles
1319 "G" Street
Anchorage, Alaska 99501

Dear Tony:

Enclosed please find information on the formula for highway funds allocation in the Anchorage Municipality that I promised to send you. I am also including the cover letter that went to Representative Joyce Munson who is going to be heading an interim committee, to look at the overall problem of funding for highways.

I would really appreciate your keeping me advised of any special information or thoughts you might have on this formula. If it appears that a legislative solution may be appropriate, I would really appreciate an opportunity to work with you on this issue.

Sincerely,

Arliss Sturgulewski
Co-Chairman

Enclosures

JOINT SENATE AND HOUSE INTERIM LOCAL GOVERNMENT COMMITTEES
ALASKA STATE LEGISLATURE
Pouch V
Juneau, Alaska 99811

Address all correspondence to: Local Government Committee

May 23, 1979

The Honorable Joyce Munson
State Representative
935 East 79th
Anchorage, Alaska 99502

Dear Joyce:

I am including information received from the Legislative Affairs Agency regarding the formula for highway funds allocation in the Anchorage Municipality. This information should be of value as you begin your interim work on roads and highways.

I have a particular interest in the formula used for revenue sharing as it deals with ice roads and also maintenance dollars for municipal roads. The present maintenance allocation figures are \$900 for ice roads and some \$1500 for local public roads. There has been a great deal of pressure to increase these allocations and yet under our present method of revenue sharing it merely means that the revenue dollar is split in somewhat different ways. I would really appreciate your committee taking a look at the adequacy and method of funding.

Please notify me of your meeting schedule. If it would be of any help to you, I would be very happy to come and make a presentation regarding the study that we are going to be doing involving local government and also talk about the amount of revenue sharing for local roads.

Sincerely,

Arliss Sturgulewski, Senator
Co-Chairman, Local Government Study

Enclosures

*Arliss
Copy*

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STATE OF ALASKA THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 1, 1979

SUBJECT: Formula for Highway Funds Allocation in Anchorage Municipality
(W.O. 7099)

TO: The Honorable Arliss Sturgulewski

FROM: Elke Kallab *ek*
Policy Analyst

The State of Alaska receives federal highway aid from numerous sources. For your information I have enclosed a copy of a summary listing of all the federal programs which are available under the many federal highway programs. However, Alaska receives the bulk of its federal-aid highway dollars from four sources:

construction of the federal-aid primary system (FY 1979-\$40,162,113),
federal-aid secondary system (FY 1979-\$21,004,036),
Interstate system (FY 1979-\$15,607,695), and
resurfacing, restoring and rehabilitating of the federal-aid
primary system (FY 1979-\$10,232,385).

I am enclosing information which lists these and other federal-aid highway funds which the state is receiving in FY 1979. The categories are starred in red. The total amount the state is receiving in FY 1979 under these various programs is \$110,441,466. If you wish a key to the codes, please let me know.

The formula determining the state's share of federal-aid highway funds varies from program to program, but it is usually determined by ratios of population, area, or mileage of highways of a particular state to all states. If you wish more detailed information or breakdowns on this, we would be happy to provide them.

The State of Alaska uses a different formula to determine allocation of highway funds. The state is divided into five regions. Anchorage is one of five districts in Region 1. I am enclosing a map which shows Region 1. The Department of Transportation and Public Facilities does an annual performance evaluation of all state highways, testing each section of highway for ride, patching, rudding and cracking. The results of these tests are ranked into categories of perfect, tolerable or

May 1, 1979

deficient. The allocation of highway funds is based on the ratio of deficient mileage in a region, determined by the above performance evaluation process.

In the past, Region 1 has received from 42 percent to 48 percent of the available funds based on the deficiency formula. The Anchorage Bowl (Potter to the Muldoon intersection), which is smaller than the boundaries of the Anchorage Municipality, has traditionally received one-half, or at least \$20 million of the allocation of deficiency funds for Region 1. The current allocation is approximately \$25 million. We have been advised by the Department of Transportation and Public Facilities that allocations of highway funds to Anchorage have been, and continue to be, more generous than would be required if the deficiency mileage formula were strictly enforced.

You asked if a change in allocation of highway funds would be possible. The answer is yes. The state could change its current policy of using deficiency mileage as the determining factor. Such variables as population, area, highway mileage, vehicle miles, highway lanes, cost to maintain or build roads in a particular region, etc. could be utilized to change the allocation of funds. The feeling of the Department of Transportation and Public Facilities is that any formula which is too restrictive or inflexible would run the risk of being unable to respond to the needs of all Alaskans. For instance, the Anchorage Municipality has 225.5 miles of highways compared to a total of 1,163.2 miles in Region 1; yet Anchorage receives approximately 50 percent of the funds allocated to Region 1. On the other hand, Anchorage's 1978 estimated population was 184,775 compared to a 1978 estimated population for Region 1 of 261,967; clearly, Anchorage has considerably more than 50 percent of the region-wide population. While the Department of Transportation and Public Facilities has and continues to look at other formulas, the deficiency formula appears to be the most equitable formula for distribution of highway funds at this time.

Another way the allocation of highway funds could be changed would be to pass enabling legislation. Regulations could then be adopted to implement legislative intent.

We trust this answers all of your questions. If you wish further details, please let us know.

EK:jm
Enclosures

STATUS OF FEDERAL AID FUNDS

MONTH ENDING January 31, 1978

FUNDS	OBLIGATED		ANNUAL APPORTIONMENT
	UNOBLIGATED	P S & E AGREEMENT	
EMERGENCY RELIEF FUNDS			
ER-AO APPN 098	437,144	45,184,645	45,621,789
ERFO APPN 099		18,686,674	18,686,674
TOTAL - ER	437,144	63,871,319	64,308,463
ROW REVOLVING FUNDS			
Q APPN 102 FY 1973-78		20,933,710	20,933,710
TOTAL - ROW		20,933,710	20,933,710
ECONOMIC GROWTH FUNDS			
EGC APPN 106 FY 1979	2,819,676		2,819,676 *
EGC APPN 106 FY 1978	504,990	2,370,828	2,875,818
EGC APPN 106 FY 1972-77		13,952,649	13,952,649
TOTAL - EGC	3,324,666	16,323,477	19,648,143
BRIDGE REPLACEMENT & REHABILITATION FUNDS			
BR/BH APPN 114 FY 1979	314,000		314,000 *
BR APPN 115 FY 1978	40,644	124,144	164,788
BR APPN 115, 1973-77		7,284,926	7,284,926
TOTAL - BR 115	40,644	7,409,070	7,449,714
BR/BH APPN 117 FY 1979 (OS)	219,500	16,000	235,500 *
BR/BH APPN 118 FY 1979	916,500	104,000	1,020,500 *
ALASKA ASSISTANCE FUNDS			
AL APPN 133 FY 1972-76		100,000,000	100,000,000
AA APPN 691		3,212,760	3,212,760
FOREST HIGHWAY FUNDS			
FH APPN 151 FY 1979	3,013,198		3,013,198 *
FH APPN 151 FY 1978	627,609	2,129,934	2,757,543
FH APPN 151 FY 1972-77		16,915,391	16,915,391
TOTAL - FH	3,640,807	19,045,325	22,686,132
PUBLIC LANDS HIGHWAY FUNDS			
FLH APPN 153 FY 1979	1,575,000		1,575,000 *
FLH APPN 153 FY 1978		777,472	777,472
FLH APPN 153 FY 1975-77		4,000,000	4,000,000
TOTAL - FLH	1,575,000	4,777,472	6,352,472
HIGHWAY BEAUTIFICATION FUNDS			
APPN 646		7,500	7,500
APPN 649		148,750	148,750
TOTAL - OA		156,250	156,250
APPN 659 - JU		570,750	570,750
APPN 666		539,434	539,434
APPN 667		562,965	562,965
APPN 669		386,796	386,796
TOTAL - Lands		1,489,195	1,489,195



Alaska State Legislature

REPRESENTATIVE
JOYCE MUNSON

LEGISLATIVE ADDRESS
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3077
(907) 465-3724
HOME ADDRESS
935 EAST 79TH
ANCHORAGE, ALASKA 99502
(907) 334-2013

*9/1/79
7/1/79
18.*

INTERIM SCHEDULE FOR SPECIAL COMMITTEE ON ROADS & HIGHWAYS

JULY 1979

July 11, 1979

1:45 p.m. fly from Anchorage to Homer, Ak. for public hearing that evening at 7:00 p.m., Homer High School, Team Teaching Rm., Homer, Ak.

Reservations confirmed at Lands End Hotel, Homer.

July 12, 1979

Committee drives to Kenai, Ak., for public hearing scheduled for that evening at 7:00 p.m., at Kenai-Central High School, P.O.Box 1509, Kenai, Ak.

Reservations confirmed at Sheffield House, Kenai.

July 13, 1979

Meeting of the Special Committee on Roads and Highways

Return to Anchorage, 1:45 p.m.

July 23, 1979

Drive from Anchorage to Delta Junction, en route to Fairbanks.



Alaska State Legislature

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INTERIM SCHEDULE (cont'd.)

July 24, 1979

Public hearing in Delta Junction, Ak., 7:00 p.m.

July 25, 1979

Drive to Fairbanks, Ak.

July 26, 1979

Meeting of the Special Committee on Roads & Highways

Public hearing in Fairbanks, Ak., 7:00 p.m.

July 27, 1979

Return to Anchorage, Ak.

AUGUST, 1979

August 6, 1979

Special Session of the Alaska State Legislature

--- The limited funds appropriated to us for the Interim necessitates that we consolidate our travel and per diem expenses whenever possible. Therefore, following the Special Session, I have arranged for the Committee to meet with Mr. Jay Hogan, Legislative Finance, for approximately five (5) days. (The date being dependent upon the adjournment of the Special Session).



Alaska State Legislature

REPRESENTATIVE
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(907) 334-2013

INTERIM SCHEDULE (cont'd.)

SEPTEMBER, 1979

September 5, 1979

Public hearing secheduled in Girdwood, Ak.,
7:00 p.m.

OCTOBER, 1979

October 2, 1979

Public hearing, East High School, 4025 East 24th,
Anchorage, Ak., 7:00 p.m.

October 3, 1979

Public hearing, Chugiak High School, Chugiak, Ak.,
7:00 p.m.

October 4, 1979

Meeting of the Special Committee on Roads & Highways

Public hearing, Service High School, 5577 Abbott Rd.,
Anchorage, Ak., 7:00 p.m. (Little Theatre)

(not listed)

Announcements of public hearing meeting places/will be forwarded
to you upon confirmation.



**AUTHORIZATIONS
FEDERAL-AID HIGHWAY ACT OF 1978, HIGHWAY SAFETY ACT OF 1978
(millions of dollars)**

HIGHWAY DEVELOPMENT	From Highway Trust Fund						From General Funds						FOUR YEAR GRAND TOTAL
	1978 FY*	1979 FY	1980 FY	1981 FY	1982 FY	Four Year Total	1978 FY*	1979 FY	1980 FY	1981 FY	1982 FY	Four Year Total	
Interstate ¹	\$3,250	\$3,250	\$3,500	\$3,500	\$3,200	\$13,450	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$13,450
Interstate—Min. ½ % ¹	125	125	125	125	125	500	—	—	—	—	—	—	500
Interstate—RRR ¹	175	175	175	275	275	900	—	—	—	—	—	—	900
Primary	1,350	1,550	1,700	1,800	1,500	6,550	—	—	—	—	—	—	6,550
Secondary (Rural)	400	500	550	600	400	2,050	—	—	—	—	—	—	2,050
Urban System	800	800	800	800	800	3,200	—	—	—	—	—	—	3,200
Forest Highways	33	33	33	33	33	132	—	—	—	—	—	—	132
Public Lands Highways	16	16	16	16	16	64	—	—	—	—	—	—	64
Economic Growth Center Dev. Highways	50	50	50	50	50	200	—	—	—	—	—	—	200
Territorial Highways	—	—	—	—	—	—	11	12	12	12	12	48	48
Billboard Control & HBA Adm. Expenses	—	—	—	—	—	—	66.5	31.5	31.5	31.5	31.5	126	126
Great River Roads	25	25	25	25	25	100	10	10	10	10	40	140	140
Safer Off-System Roads	—	—	—	—	—	—	200	200	200	200	200	800	800
Access Highways	—	—	—	—	—	—	15	15	15	15	15	60	60
Traffic Control Signalization	40	—	—	—	—	—	—	—	—	—	—	—	—
Urban High Density	65	85	—	—	—	85	—	—	—	—	—	—	85
Railroad Relocation Demo	34.3	46.67	60	66.67	66.67	240	17.1	23.33	30	33.33	33.33	120	360
Bridges on Dams	—	15	—	—	—	15	—	—	—	—	—	—	15
Overseas Highway	—	8.8	—	—	—	8.8	—	—	—	—	—	—	8.8
Carpooling & Vanpooling	—	4	10	1	—	15	—	—	—	—	—	—	15
Bicycle Program	—	10	10	10	10	40	—	10	10	10	10	40	80
Multimodal Concept	—	9	—	—	—	9	—	—	—	—	—	—	9
Bloomington Br. EIS	—	0.2	—	—	—	0.2	—	—	—	—	—	—	0.2
Integrated Motorist Information System	—	1.5	2.5	26	—	30	—	—	—	—	—	—	30
Bypass Highway Demo	—	5	25	20	—	50	—	—	—	—	—	—	50
Access Control Demo Project	—	10	20	—	—	30	—	—	—	—	—	—	30
Emergency Relief ²	60	—	—	—	—	—	40	—	—	—	—	—	—
Northeast Corridor Demo	—	—	—	—	—	—	—	45	40	—	—	85	85
Appalachian Project	—	—	—	—	—	—	—	1.8	—	—	—	1.8	1.8
Forest Dev. Roads & Trails	—	—	—	—	—	—	140	140	140	140	140	560	560
Public Lands Dev. Roads & Trails	—	—	—	—	—	—	10	10	10	10	10	40	40
Park Roads & Trails	—	—	—	—	—	—	30	30	30	30	30	120	120
Parkways	—	—	—	—	—	—	45	45	45	45	45	180	180
Indian Res. Roads & Bridges	—	—	—	—	—	—	83	83	83	83	83	332	332
Rail Crossing Study	—	—	—	—	—	—	—	—	0.35	—	—	0.35	0.35
Gasohol Study Comm.	—	—	—	—	—	—	—	1.5	—	—	—	1.5	1.5
TOTAL FISCAL YEAR AUTHORIZATIONS—HIGHWAY DEVELOPMENT	\$6,423.3	\$6,719.17	\$7,101.5	\$7,347.67	\$6,500.67	\$27,669	\$667.6	\$658.13	\$656.85	\$619.83	\$619.83	\$2,554.65	\$30,223.65
HIGHWAY SAFETY													
State & Community Grants													
NHTSA	\$ 137	\$ 175	\$ 175	\$ 200	\$ 200	\$ 750	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 750
FHWA	25	25	25	25	25	100	—	—	—	—	—	—	100
Research & Development Grants													
NHTSA	50	50	50	50	50	200	—	—	—	—	—	—	200
FHWA	10	10	10	10	10	40	—	—	—	—	—	—	40
Bridge Replacement & Rehabilitation	180	900	1,100	1,300	900	4,200	—	—	—	—	—	—	4,200
Pavement Marking	50	65	65	65	—	195	—	—	—	—	—	—	195
Hazard Elimination Program	125	125	150	150	200	625	—	—	—	—	—	—	625
Rail-Highway Crossings	125	190	190	190	190	760	75	—	—	—	—	—	760
55 mph Enforcement	—	50	67.5	67.5	67.5	252.5	—	—	—	—	—	—	252.5
Innovative Safety Grants	15	—	5	10	15	30	—	—	—	—	—	—	30
Schoolbus Driver Training	—	2.5	2.5	2.5	2.5	10	—	—	—	—	—	—	10
Accident Data Acquisition	—	5	5	5	5	20	—	—	—	—	—	—	20
Highway Safety Education	—	16	—	—	—	16	—	—	—	—	—	—	16
TOTAL FISCAL YEAR AUTHORIZATIONS—HIGHWAY SAFETY	\$ 717.0	\$1,613.5	\$1,845.0	\$2,075.0	\$1,665.0	\$ 7,198.5	\$ 75	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 7,198.5
GRAND TOTAL	\$7,140.3	\$8,332.67	\$8,946.5	\$9,422.67	\$8,165.67	\$34,867.5	\$742.6	\$658.13	\$656.85	\$619.83	\$619.83	\$2,554.65	\$37,422.15

* Authorized in Federal-Aid Highway Act and Highway Safety Act of 1976.
¹ FY-1980-1983 Interstate funds apportioned one year in advance of fiscal year authorization.
² Emergency Relief, \$100 million continuing authorization all from Highway Trust Fund.

**AUTHORIZATIONS
FEDERAL PUBLIC TRANSPORTATION ACT OF 1978
(millions of dollars)**

	FY 1979	FY 1980	FY 1981	FY 1982	FY 1983
Section 3—Discretionary	\$1,375	\$1,410	\$1,515	\$1,600	\$1,580
Section 5—Formula	1,515	1,580	1,665	1,765	1,765
Basic Tier	(850)	(900)	(900)	(900)	(900)
Second Tier	(250)	(250)	(250)	(250)	(250)
Commuter	(115)	(130)	(145)	(160)	(160)
Bus	(300)	(300)	(370)	(455)	(455)
Rural Assistance	90	100	110	120	120
Miscellaneous	90	95	100	105	105
Bus Terminals	40	40	40	40	40
Intercity Operations	30	30	30	30	30
Transportation Institutes	10	10	10	10	10
Waterborne Demo	20	5	—	—	—

TOTAL FUNDING \$13,580,000,000 (four year authorization)

FUNDS	UNOBLIGATED	OBLIGATED		ANNUAL APPORTIONMENT
		P S & E	AGREEMENT	
HIGHWAY SAFETY				
RRS APPN 138 FY 1979	1,441,460			1,441,460 *
RRS APPN 138 FY 1978	24,284	45,000	630,716	700,000
RRS APPN 138 FY 1974-77			1,422,746	1,422,746
TOTAL - RRS	1,465,744	45,000	2,053,462	3,564,206
RRP APPN 139 FY 1979	1,441,460			1,441,460 *
RRP APPN 139 FY 1978	782,482	52,815		835,297
RRP APPN 139 FY 1974-77		6,585	35,126	41,711
TOTAL - RRP	2,223,942	59,400	35,126	2,318,468
PMS APPN 140 FY 1979	150,000			150,000 *
PMS APPN 140 FY 1978	133,375		16,625	150,000
RHS-PMS APPN 140 FY 1977			150,000	150,000
RHS-PMS APPN 140 FY 1974-77			265,095	265,095
TOTAL PMS-RHS	283,375		431,720	715,095
HES APPN 141 FY 1979	612,500			612,500 *
TOTAL - HES	612,500			612,500
HHS APPN 142 FY 1976		30,150	2,172,658	2,202,808
HHS APPN 142 FY 1974-75			1,968,756	1,968,756
TOTAL - HHS		30,150	4,141,414	4,171,564
ROS APPN 144 FY 1974-76			852,500	852,500
TOTAL - ROS			852,500	852,500
HHS APPN 145 FY 1978	64,789	1,586,897	943,107	2,594,793
HHS APPN 145 FY 1977			4,120,640	4,120,640
TOTAL - HHS	64,789	1,586,897	5,063,747	6,715,433
SRS APPN 148 FY 1976	440,883	37,087		477,970
SRS APPN 148 FY 1975		402,349	97,651	500,000
SRS APPN 148 FY 1974			250,000	250,000
TOTAL - SRS	440,883	439,436	347,651	1,227,970
GRAND TOTAL HWY SAFETY	5,091,233	2,160,883	12,925,620	20,177,736

OFF-SYSTEM ROADS				
OS APPN 627 FY 1976	494,399	547,234	9,702,154	10,743,787

SAFER OFF-SYSTEM ROADS				
SOS APPN 679 FY 1978			18,629	18,629
SOS APPN 680 FY 1979 **	7,314,302			7,314,302 **
SOS APPN 680 FY 1978	3,344,351	5,620,882		8,965,233
SOS APPN 680 FY 1977		7,883,256	1,513,513	9,396,769
TOTAL 679 - 680	10,658,653	13,504,138	1,532,142	25,694,933

**No Appropriation - Not available for obligation
OFF-SYSTEM RAILWAY-HIGHWAY CROSSINGS

RRO APPN 685 FY 1977-78				-0-
RRO APPN 685 TQ 1976		270,184		270,184
TOTAL - 685		270,184		270,184
RRO APPN 686 FY 1978	409,632			409,632
RRO APPN 686 FY 1977				-0-
RRO APPN 686 TQ 1976	5,769	264,416		270,185
TOTAL - 686	415,401	264,416		679,817

*Includes HPS.

FUNDS	UNOBLIGATED	OBLIGATED		ANNUAL APPORTIONMENT
		P S & E	AGREEMENT	
F 1979	40,162,113			40,162,113 *
F 1978	16,193,916	3,861,690	35,782,490	55,838,096
F 1977			55,871,200	55,871,200
Subtotal F (010)	56,356,029	3,861,690	91,653,690	151,871,409
FR 1979 (110)	10,232,385			10,232,385 *
TOTAL - F	66,588,414	3,861,690	91,653,690	162,103,794
F 1961 thru 1973 (012)			322,592,372	322,592,372
F HPS 1961 & Subs.			994,957	994,957
F 1960 & Prior * (112)			25,319,104	25,319,104
TOTAL - F			348,906,433	348,906,433
S 1961 thru 1973 (022)	36,259		194,303,145	194,339,404
S HPS 1961 & Subs.			666,948	666,948
S 1960 & Prior * (122)			16,823,094	16,823,094
TOTAL - S	36,259		211,793,187	211,829,446
U 1961 thru 1976 (032)			2,808,998	2,808,998
U HPS 1961 & Subs.			5,606	5,606
U 1960 & Prior * (132)			209,975	209,975
TOTAL - U			3,024,579	3,024,579
M 1979	3,841,894			3,841,894 *
M 1978		56,276	4,602,286	4,658,562
M 1974 thru 1977			15,980,413	15,980,413
Subtotal - M (W32)	3,841,894	56,276	20,582,699	24,480,869
PR 1978 (W08)			19,452	19,452
TOTAL - M	3,841,894	56,276	20,602,151	24,500,321
I 1979	15,607,695			15,607,695 *
TOTAL - I (050)	15,607,695			15,607,695
RF 1976	80,914	769,568	40,671,743	41,522,225
RF 1970 thru 1975			87,810,319	87,810,319
TOTAL - RF (073)	80,914	769,568	128,482,062	129,332,544
RS 1979	16,532,528	4,471,508		21,004,036 *
RS 1978		2,652,598	22,923,077	25,575,675
RS 1970 thru 1977			100,791,562	100,791,562
Subtotal - RS (075)	16,532,528	7,124,106	123,714,639	147,371,273
SR 1979 (079)	5,351,347			5,351,347 *
TOTAL - RS	21,883,875	7,124,106	123,714,639	152,722,620
HPR 1979	1,464,964			1,464,964 *
HPR 1978	265,040		1,046,000	1,311,040
HPR 1964 thru 1977			10,858,114	10,858,114
TOTAL - HPR (080)	1,730,004		11,904,114	13,634,118
PL 1979	74,549		79,189	153,738 *
PL 1978			146,014	146,014
PL 1974 thru 1977			610,900	610,900
TOTAL - PL (082)	74,549		836,103	910,652
PO 1976 (124)	299,557	28,872	54,380,447	54,708,876
TOPICS 1970 thru 1973			424,214	424,214
D & L FUNDS			6,560,423	6,560,423
GRAND TOTAL	110,143,161	11,840,512	1,002,282,042	1,124,265,715
FY RECAP				
1961 & Subs.	110,143,161	11,840,512	953,369,446	1,075,353,119
1960 & Prior			48,912,596	48,912,596
TOTAL - FY RECAP	110,143,161	11,840,512	1,002,282,042	1,124,265,715

Pending

MEMORANDUM

April 9, 1979

TO: Mr. Gregg Ericson, Director
Division of Research Services
Legislative Affairs Agency

FROM: Senator Arliss Stuenkel

SUBJECT: Anchorage Municipality Highways - Federal Aid Allocation Formula

How is the present allocation formula determined for the Federal aid to highways in the Anchorage Municipality? What would be necessary in order to change that particular allocation? As I understand it now, the State is divided into districts and so many dollars go into each particular district. I would like to know what the specific standards are for distribution of the dollars. Does the State allocate its dollars in the same basis? Would a change in allocation be possible; if so, by Statute, Administrative Regulation, or policy?

No. Attached and Sent

Municipality
of
Anchorage



POUCH 6-650
ANCHORAGE, ALASKA 99502
907-264-4311

OFFICE OF THE CLERK

March 28, 1979

President of the Senate
All Anchorage Senators
Speaker of the House
All Anchorage Representatives

Please find attached Resolution AR 79-58 unanimously passed by the Anchorage Assembly at its meeting last night, March 27, 1979.

The Assembly requested that it be forwarded to you for your consideration.

Sincerely,

A handwritten signature in cursive script, reading "Phyllis Eileen Banks".

Phyllis Eileen Banks
Acting Municipal Clerk

Attachment: AR 79-58

Submitted by: All members of the Assembly
For Meeting: March 27, 1979

ANCHORAGE, ALASKA

AR NO. 79-58

3-27-79

A RESOLUTION REQUESTING THE ALASKA STATE LEGISLATURE TO LEGISLATE A
FORMULA REVISION FOR THE ALLOCATION OF FEDERAL AID TO HIGHWAYS MAN-
DATING CONSIDERATION OF SAFETY, CONGESTION, TRAFFIC VOLUME TO CAPACITY
RATIO, POPULATION AND OTHER APPROPRIATE CRITERIA

THE ANCHORAGE ASSEMBLY RESOLVES:

WHEREAS present state policy for the distribution of the major Federal Highway Administrative funding programs on the ratio of deficient miles to the total road system mileage and deficiency is limited to pavement structure condition and conformance with standards for the functional classification; and

WHEREAS this policy does not allow the allocation of resources based on other factors critical to an adequate transportation system such as safety, congestion, traffic volume to capacity ratio, vehicle miles traveled, and operating speed; and

WHEREAS the effects of not considering these important factors in monetary allocation has resulted in a grossly inadequate and unsafe transportation system for the Anchorage area to a greater degree than other areas of the state; and

WHEREAS the transportation system of Anchorage directly benefits the economy in other areas of the state; and

WHEREAS the adopted Long Range Element of the Anchorage Metropolitan Area Transportation Study identifies projected needs that exceed presently anticipated needs by nearly \$500 million through 1995; and

WHEREAS the results of the state policy for distributing federal highway dollars results in the last three years in the Anchorage area receiving less than 20% of the total state allocation of federal aid to highways,

NOW THEREFORE BE IT RESOLVED that the Anchorage Assembly requests the Alaska State Legislature to legislate a formula revision for the allocation of federal aid to highways mandating consideration of safety, congestion, traffic volume to capacity ratio, population and other appropriate criteria. The results of such revision to the formula should provide any metropolitan planning organization a percentage of total federal aid allocated to the state not less than 65% of the area's state population percentage.

PASSED AND APPROVED this 27th day of March, 1979.

/s/ Ernest W. Brannon
Chairman

AT ST:

/s/ Phyllis Eileen Banks
Acting Municipal Clerk

None	Business	Legislator	Interim	Gov	Office/Staff
442-5302	same	ANDERSON			H. Energy
337-7904	none	BARNES			
none	277-6219	BEIRNE			
		BENNETT	452-5393		Admin. Reg. Review/Martyak
556-2901	479-6134	BETTISWORTH			
333-8760	337-1060	BRADLEY	278-1581		S. Commerce/Tennison, Basler, Mathison
995-1265	same	BRANSON			
452-3452	same	BROWN			H. Commerce/Rosa, Blume
243-1459	none	BUCHHOLDT	279-1539		H. HESS/Wroe
376-5624	745-4827	CARNEY			H. Res. - Agriculture
333-8161	279-2448	CHATTERTON			
344-7453	279-1536	COLLETTA	274-8351		Gas Pipeline Fin., Int. Trade/Sharrock
694-9385	694-2581	COTTEN			H. Rules
277-0683	same	DANKWORTH			
789-9792	465-3818	DUNCAN	465-3818	JNU	Budget & Audit
			279-6116	ANC	
747-3322	WYP 5078 VHF	ELIASON			
479-3550	456-4879	FAHRENKAMP			
		FERGUSON			S. Telecomm./Harvey
225-3507	225-4980	FREEMAN			
443-2968	same	FULLER			H. Res. - Subsistence/Charlie
225-6882	<i>(Papp's res)</i>	GARDINER	465-3720	JNU	Speaker's Office/Sunde, Stoops
225-3828	<i>(Rep. Holden's res)</i>		225-9676	KTN	Speaker's Office/Thompson
543-2033	village phone	GUY			H. Licensed Guides
456-4610	none	HACKNEY			S. HESS
688-2470	same	HALFORD			
772-3142	none	HAUGEN			
243-8844	272-8222	HAYES	(272-3471		H. Minority/Jack)
		HOHMAN	465-3880		Legislative Council
344-7361, 447-8001	MSGs	HURLBERT			H. Labor & Management
333-1179	none	KELLY	694-3578		S. Election Reform/Simonson
745-3057	same	KERTTULA			S. Agric. Policy, S. Minority
			465-3773	JNU	(Hanson will be in and out)
283-7743	283-7733	MALONE			H. Perm. Fund/Rhode
323-2432	same	MARTIN			
		McKINNON	276-1955		H. Lsg. Policy/Williams, Wittow
		MEEKINS	278-1583		H. Finance/Crandall
747-8906	none	MELAND			
344-1130	277-9014	METCALFE			
337-7942	none	MILES	276-4340		Gas Pipeline Fin., H. Res. - Land/Halloran
586-3067	none	MILLER	465-4964		H. State Affairs
272-9339	same	MONTGOMERY			
895-4384	none	MOSS			
486-3561	none	MULCAHY			
344-2013	none	MUNSON	349-3367		H. Roads & Highways/Burnside
252-9146	283-3663	O'CONNELL			
383-2363	none	OSTERBACK	274-7628		H. Bottomfish/Hathaway
272-4192	none	PARKER	465-3824		H. C&RA/Gorsuch
488-2555	456-5029	PARR			H. Judiciary/Plotnick, Burke
694-4949	279-0543 x. 49	PHILLIPS			
479-3209	456-7787	RANDOLPH			
586-2693		RAY	465-4922		Transp., Personnel
274-0446	276-3222	RODEY			
456-2037	none	ROGERS			Const. Conv.
789-8001	Ruby	SACKETT	274-7628	ANC	S. Fin./Lowell
			465-3753	JNU	
442-3234	none	SCHAEFFER			
456-4637	452-7171	SMITH			
272-6094	274-2502	STINSON	272-0954		S. Minority Relations/Piceno
79-4939	none	STURGULEWSKI			S. C&RA
274-7148	none	SUMNER	272-4541		S. Res., Tax Policy/Gifford, Frasca
235-8000		TILLION	274-4563		President's Office/Parsons
486-5254	486-4321	ZHAROFF			H. Res. - Foreign Investment
225-5077	225-4145	ZIEGLER			

6/20/79

Home	Business	Legislator	Interim	Committee/Staff
842-5302	same	ANDERSON		H. Energy
337-7904	none	BARNES		
none	277-6219	BEIRNE		
		BENNETT	452-5393	Admin. Reg. Review/Martyak
456-2901	479-6134	BETTISWORTH		
333-8760	337-1060	BRADLEY	278-1581	S. Commerce/Tennison, Basler, Mathison
595-1265	same	BRANSON		
452-3452	same	BROWN	456-8370	H. Commerce/Rosa, Blume
243-1459	none	BUCHHOLDT	279-1539	H. HESS/Wroe
376-5624	745-4827	CARNEY		H. Res. - Agriculture
333-8161	279-2448	CHATTERTON		
344-7453	279-1536	COLLETTA	274-8351	Gas Pipeline Fin., Int. Trade/Sharrock
694-9385	694-2581	COTTEN		H. Rules
277-0683	same	DANKWORTH		
789-9792	465-3818	DUNCAN	465-3818 JNU 279-6116 ANC	Budget & Audit
747-3322	WYP 5078 VHF	ELIASON		
479-3550	456-4879	FAHRENKAMP		
		FERGUSON		S. Telecomm./Harvey
225-3507	225-4980	FREEMAN		
443-2968	same	FULLER	277-5845	H. Res. - Subsistence/Charlie
225-6882		GARDINER	465-3720 JNU	Speaker's Office/Sunde, Stoops
225-3828			225-9676 KTN	Speaker's Office/Thompson (home 225-6882)
543-2033	village phone	GUY		H. Licensed Guides
456-4610	none	HACKNEY		S. HESS
688-2470	same	HALFORD		
772-3142	none	HAUGEN		
243-8844	272-8222	HAYES	(272-3471	H. Minority/Jack)
		HOHMAN	465-3880	Legislative Council
344-7361, 447-8001	MSCS	HURLBERT		H. Labor & Management
333-1179	none	KELLY	694-3578	S. Election Reform/Simonson
745-3057	same	KERTTULA	465-3773 JNU	S. Agric. Policy, S. Minority (Hanson will be in and out)
283-7743	283-7733	MALONE		H. Perm. Fund/Rhode
333-2432	same	MARTIN		
		McKINNON	276-1955	H. Lsg. Policy/Williams, Wittow
		NEEKINS	278-1583	H. Finance/Crandall
747-8906	none	MELAND		
344-1130	277-9014	METCALFE		
337-7942	none	MILES	276-4340	Gas Pipeline Fin., H. Res. - Land/Halloran
586-3067	none	MILLER	465-4964	H. State Affairs
272-9339	same	MONTGOMERY		
895-4384	none	MOSS		
486-3561	none	MULCAHY		
344-2013	none	MUNSON	349-3367	H. Roads & Highways/Burnside
252-9146	283-3663	O'CONNELL		
383-2363	none	OSTERBACK	274-7628	H. Bottomfish/Hathaway
272-4192	none	PARKER	465-3824	H. C&RA/Gorsuch
488-2555	456-5029	PARR		H. Judiciary/Plotnick, Burke
694-4949	279-0543 x. 49	PHILLIPS		
479-3209	456-7787	RANDOLPH		
586-2693		RAY	465-4922	Transp., Personnel
274-0446	276-3222	RODEY		
456-2037	none	ROGERS	277-5761, 456-8370	Const. Conv.
789-8001	Ruby	SACKETT	279-3343 ANC 465-3753 JNU	S. Fin./Lowell
442-3234	none	SCHAEFFER		
456-4637	452-7171	SMITH	456-8370	Natural Res. Budget Oversight
272-6094	274-2502	STIMSON	272-0954	S. Minority Relations/Piceno
279-4939	none	STURGULEWSKI		S. C&RA
274-7148	none	SUMNER	272-4541	S. Res., Tax Policy/Gifford, Frasca
235-8000		TILLION	274-4563	President's Office/Parsons
486-5254	486-4321	ZHAROFF		H. Res. - Foreign Investment
225-5077	225-4145	ZIEGLER		

Tell conference funded for summer

* LEGISLATIVE INTERIM COMMITTEES *

COMMITTEE	HOUSE	SENATE
BOTTOMFISH	Osterback, Chmn Eliason Fuller Miles	Sumner Stimson Ferguson <i>See Ray asked to be on in place of Stimson</i>
LIMITED ENTRY	Anderson, Chmn Gardiner Branson	Sumner Mulcahy Sackett <i>See 7 who may ask to be on.</i>
SUBSISTENCE	Fuller, Chmn Anderson Zharoff Halford Hayes	
AGRICULTURE	Carney Moss Bettisworth	<i>Spec. Committee</i> Sackett Sabin
ROADS & HIGHWAYS	Munson, Chmn Barnes Freeman Parr Halford	<i>Blue Ribbon</i> Sumner Ferguson <i>100,000</i> election
FOREIGN INVESTMENT	Zharoff, Chmn Miles Eliason	<i>34,300</i> minority matter Chmn Stimson Sackett Rodley
LEASING POLICY COMMITTEE	McKinnon, Chmn Miles Malone Rogers Chatterton Hayes Cotten	<i>200,000</i> Leasing See Senator Castilla Holman
STATE COMMITTEE FOR SERVICES FOR ELDERLY	Chmn Miller	<i>200,000</i> In-state Liquor Study Castilla Sackett Sumner
LAND	Miles	
ENERGY	Anderson	<i>45,000</i> Reg Review
RULES	Cotten	<i>95,000</i> Com. Const. & Committee Rodley/Holman
TELECOMMUNICATIONS	Consultants	
<i>Blair</i> 35,000 HESS	Standing Committee	Telecommunications
<i>(?) 21,000</i> JUDICIARY	" "	See Ray - Chmn.
<i>Blair</i> 82,000 COMMERCE	" "	<i>95,000</i> Sackett Holman
LABOR & MANAGEMENT	" "	Castilla Castilla
STATE AFFAIRS	" "	
<i>Blair</i> 43,000 COMMUNITY & REGIONAL AFF.	" "	

INTERIM ACTIVITY 1979

incorporating Legislative Council minutes

CHAIRMAN, Vice-Chairman

* = standing committees and subcommittees of standing committees

ADMINISTRATIVE REGULATION REVIEW (permanent committee)BENNETT, Freeman, Dankworth, Hohman, Parr, Beirne

Room 219 Nerland Building	Lani Martyak	452-5393
Fairbanks		452-5451

*AGRICULTURE (HOUSE RESOURCES) (House standing committee subcommittee)

CARNEY, Moss, Bettisworth

AGRICULTURAL POLICY (permanent committee)

KERTTULA (liaison)

Palmer

BOTTOMFISH (joint interim committee)

OSTERBACK, Eliason, Fuller, Miles, Sumner, Stimson, Ferguson, Ray

1016 W. 6th, Suite 201	Kathy Hathaway	274-7628
Anchorage 99501		274-7629

BUDGET AND AUDIT (permanent committee)

DUNCAN, Sackett, Bradley, Sturgulewski, Kerttula, Hohman, Carney, Schaeffer, Hayes, Bettisworth

444 H Street, Suite 200		279-6116
Anchorage 99501		

Pouch V		465-3818
Juneau 99811		

CODE REVISION COMMISSION (permanent committee)JOHN ABBOTT (Anchorage attorney), Arthur Peterson, Pat Rodey, Fred Brown, Susan Burke, L. S. Kurtz, Jr.

Pouch Y	Billy Berrier, exec. sec.	465-3867
Juneau, Alaska 99811	Joyce Straube, sec.	
110 Seward Street, #5		

*COMMERCE (House standing committee)BROWN, Munson, Malone, Osterback, Bettisworth, Halford, Randolph

527 4th Avenue, Suite 210	John Rosa	456-8370
Fairbanks 99701	Allen Blume	

*COMMERCE (Senate standing committee)BRADLEY, Sturgulewski, Kelly, Ferguson, Stimson

1016 W. 6th, Suite 201	Luci Tennison	278-1581
Anchorage 99501	Christian Basler	278-1582
	Jon E. Mathison	

*COMMUNITY AND REGIONAL AFFAIRS (House standing committee)PARKER, Carney, Parr, Zharoff, Branson, Metcalfe, O'Connell

Pouch V	Marge Gorsuch	465-3824
Juneau 99811	(Jt. Local Gov't. Study)	465-3712 (S. C&RA)

*COMMUNITY AND REGIONAL AFFAIRS (Senate standing committee)
STURGULEWSKI, Mulcahy, Kelly, Rodey, Stimson

Pouch V 465-3712
Juneau 99811 (Jt. Local Gov't. Study) 465-3824 (H. C&RA)

CONSTITUTIONAL CONVENTION (joint interim committee) Fairbanks (see H. Commerce for
HOHMAN, ROGERS address 456-8370

1016 W. 6th, Suite 201 Eric Eckholm, Anchorage 277-5761
Anchorage 99501 Guy van Doren - Contract - Juneau
Claire Charlie

ELDERLY, SERVICES FOR (joint interim committee)
RODEY, Hackney, Miller, Buchholdt

ELECTION REFORM (Senate special committee)
KELLY, Fahrenkamp, Mulcahy

Box 1004 Diane Simonson 694-3578
Eagle River 99577 694-3586
Second floor, Parkgate Building
(across from Carr's)

ENERGY (House special committee)
ANDERSON

*FINANCE (House standing committee)
MEEKINS, Freeman, Duncan, Guy, McKinnon, Moss, Rogers, Smith, Schaeffer,
Haugen, Montgomery

444 H Street, Suite 200 John Crandall 278-1583
Anchorage 99501 Cindy Whalen 278-1584

*FINANCE (Senate standing committee)

1016 W. Sixth, Suite 201 Sue Lowell 279-3343
Anchorage 99501

*FOREIGN INVESTMENT (HOUSE RESOURCES) (House standing committee subcommittee)
ZHAROFF, Miles, Eliason

GAS LIQUIDS - see INTERNATIONAL TRADE ACTIVITIES

GAS PIPELINE FINANCING (joint interim committee)
MILES, COLLETTA, Gardiner, Parr, Hayes, Chatterton, Sumner, Ferguson
(LeResche - ex officio)

MILES - 727 N Street, Suite 2 Mary Halloran 276-4340
Anchorage 99501

COLLETTA - 1016 W. 6th Marcie Sharrock 274-8351
Suite 435 or 277-2415 (d2 phone)
Anchorage 99501

(GOVERNOR'S ADMINISTRATIVE COMMITTEE consists of Gross, LeResche,
Webber and Williams - will deal with investment question)

*HEALTH, EDUCATION AND SOCIAL SERVICES (House standing committee)
BUCHHOLDT, Munson, Hurlbert, Miles, Barnes, Beirne, Chatterton

513 W. 7th, Suite 3
Anchorage 99501

Julie Wroe

279-1539

*HEALTH, EDUCATION AND SOCIAL SERVICES (Senate standing committee)
HACKNEY, Ferguson, Colletta, Sturgulewski, Fahrenkamp

Fairbanks

INTERGOVERNMENTAL COOPERATION, ALASKA COMMISSION ON (permanent committee)

INTERNATIONAL TRADE ACTIVITIES, ALASKA (Senate special committee)
COLLETTA, Sumner, Hohman, Sackett

1016 W. 6th, Suite 534
Anchorage 99501

Marcie Sharrock

274-8351

277-2415 (d2 number)

*JUDICIARY (House standing committee)

PARR, Anderson, Brown, Buchholdt, Malone, Barnes, Martin, O'Connell, Phillips

Rocky Plotnick

Peggy Burke

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Ketchikan

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LEGISLATIVE INTERNSHIP PROGRAM (Council-funded)

HOHMAN

LICENSED GUIDES (House)
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April 5, 1979

Office of the White House Press Secretary

THE WHITE HOUSE

FACT SHEET ON
THE PRESIDENT'S PROGRAM

I. CONSERVATION

In both the short and the long term, conservation remains a cornerstone of U.S. energy policy. It is still cheaper in most instances to save a barrel of oil than to buy a barrel either from foreign or domestic sources. The initiatives announced by the President build on the significant new conservation authorities contained in the National Energy Act signed last November.

The U.S. has already made considerable progress, both in wasting less and in increasing the productivity of the energy we do use. Since 1973:

- o Industrial use of energy has dropped by 6% though output has increased by 12%.
- o Energy efficiency in residential buildings has increased by 5-10%.
- o Half of U.S. homeowners have added insulation while living in the houses they now occupy. One in ten has added that insulation in the last year.
- o The efficiency of home appliances has increased 5%, and the annual growth rate in home electricity use has been halved (from 6% per year to 3%).
- o The average fuel efficiency of a new car under EPA tests will be 20 miles per gallon in the 1980 model year, compared with 14.4 mpg in 1974. By 1985, the average fuel efficiency of a new car will be 27.5 mpg. Stiff new taxes on gas guzzlers adopted as part of the National Energy Act will help enforce this requirement.

It is clear, however, that the U.S. can do much more. We must do so if we are to meet both our short-run objective of reducing oil imports by up to 5% of projected oil consumption by the end of 1979, and our long-term goal of energy security.

Short-term Energy Saving Measures

In order to ensure that we can meet these targets the President announced the following measures:

1. Mandatory Building Thermostat Settings

The President asked the Congress to approve expeditiously a standby mandatory conservation plan which would require that thermostats in non-residential buildings be set no higher than 65° in winter, no lower than 80° in summer. The President announced his intent to implement this plan just as soon as Congress approves it.

The plan was sent by the President to Congress on March 1, 1979, pursuant to Section 552 of the Energy Policy and Conservation Act. By law, Congress has 60 legislative days -- or until May 14 -- to act on the plan. The President called for earlier action by the Congress.

When implemented it is estimated that this measure will reduce demand for imports by 195 to 390 thousand barrels per day.

2. Voluntary State Actions to Reduce Gasoline Consumption

The President will set state-by-state targets for reduction of gasoline consumption. Each state will be asked to implement voluntarily a plan of its own choice to meet these targets. The President indicated that he hopes these voluntary actions will avoid any need for implementation of mandatory authority, and will achieve needed oil savings.

3. Mandatory Weekend Closings of Gasoline Stations Alternative State Plans

If the voluntary state reductions do not achieve adequate savings, and if shortages of gasoline exist, mandatory measures would need to be initiated.

The President transmitted to Congress on March 1 a plan seeking standby authority to mandate closing of gasoline stations for all or part of the weekend and the President urged Congressional approval of this plan for use on a state-by-state basis. If it were implemented, it is estimated that this measure would save 120,000-270,000 barrels per day.

The President recognized, however, the difficulties which implementation of this plan would cause in some states, particularly those with economies which are heavily dependent on tourism. Working with the Governors, the President submitted an amendment to the plan under which states would be permitted to develop alternatives to the federal standby weekend closing plan.

If mandatory closings are required, States first would be permitted to develop their own alternative plans and would submit them to the Department of Energy for approval thirty days prior to implementation. A state would have 60 days to demonstrate that its alternative plan had accomplished the target levels of gasoline savings set for that state. For any state which chose not to develop an alternative plan, or a state whose plan failed to achieve the specified level of savings, the federal weekend closing would automatically go into effect.

4. Electricity Transfers

Significant savings of imported oil can be realized through using available electricity generating capacity at plants powered by coal, nuclear and hydro to replace oil-fired electrical generating units. The President called upon all of the Nation's utilities to cooperate with the Department of Energy in making maximum use of our excess non-oil-fired generating capacity.

If voluntary cooperation does not achieve savings needed to avoid oil shortages, the President stands ready to direct the Department of Energy to order wheeling or transfer of electricity among utilities using authorities of the Federal Power Act.

The President also called upon the State regulatory commissions to remove any existing regulatory impediments to the transfer of electricity.

Estimated oil savings range from 100,000 to 200,000 barrels per day depending on the season and the overall total electricity demand. To the extent that consumers cut back electricity requirements voluntarily, more power will be available to back out use of oil now being used to generate electricity.

5. Switching From Oil to Natural Gas

The President has called upon the Nation's utilities and other major industrial users of oil to switch to natural gas wherever possible. To facilitate this switch, the Department of Energy has:

- o Recommended a policy to facilitate short-term, direct purchases of gas by gas-capable facilities now using oil, particularly distillate;
- o Begun a survey of pipelines and distributors to identify surplus deliverability;
- o Promulgated rules to allow purchase of formerly intrastate gas by interstate pipelines; and
- o Implemented a program to help match available gas supplies with prospective users.

Should these measures not prove sufficient to ensure maximum use of surplus, the Department will explore use of its allocation and other powers to ensure this fuel switching. Savings from oil to gas switching are estimated at 250,000-400,000 barrels per day, depending on seasonal natural gas demands and the availability of surplus gas. Under a maximum program, 500,000 barrels of oil per day could be replaced with natural gas beginning in 1980.

6. Low Sulphur Fuel Oil

The Administration is determined to prevent environmental health regulations from being used as an excuse for price-gouging. In cases where shortages of low-sulphur fuel oil appear to exist, and where states request temporary suspension of Clean Air Act standards, the Administrator of EPA will consider unusually large increases in the price differential between complying and non-complying fuels as a basis for recommending approval of state suspension requests. The President has directed the Administrator of EPA to use his full authority to take into account price differentials and to provide the President with information on price differential increases when making recommendations to him on such requests. The President also will consult with the Secretary of Energy prior to making his determination.

7. Deferral of the October 1 Lead-Phasedown Requirement

The current Environmental Protection Agency schedule for the phasedown of lead in gasoline calls for a .5 grams of lead per gallon (gpg) standard to be met on October 1, 1979. If this schedule were fully implemented, gasoline availability would be reduced by 350,000-450,000 barrels per day. In addition, due to higher octane requirements for lower lead gasoline, refinery crude oil requirements would increase by 30,000 to 60,000 barrels per day.

In order to minimize the losses of gasoline and crude oil due to the lead phasedown, but consistent with the need to protect public health, the President has directed the

Environmental Protection Agency to defer the phasedown to the .5 gpg lead level for one year, and substitute instead an .8 gpg standard. This substitute standard will protect those most vulnerable to lead -- our urban children, and will avoid 75% of the loss in gasoline production which the .5 gpg standard would have caused.

8. 5% Reduction in Federal Government Energy Use

The President has directed heads of executive agencies to reduce their energy use by 5%. This 5% reduction applies to the year from April 1, 1979, to March 31, 1980, when compared with the preceding twelve-month period, and excludes coal use. In reaching this objective, the executive agencies are directed to:

- o Reduce their use of automotive fuels by 10%;
- o Effective immediately, set building thermostat settings at no lower than 80 degrees during the summer cooling season and no higher than 65 degrees for working hours and 55 degrees for non-working hours during the heating season;
- o Take such other steps as may be necessary to achieve the level of 5% savings.

Estimated energy savings are 7 million barrels of oil per year.

Activities of the Department of Defense essential to maintain operational readiness are exempt from this directive.

In addition, \$234 million is included in the FY 1980 budget to retrofit existing Federal buildings for conservation. Continued emphasis will be placed on the purchase of fuel-efficient autos for Federal use and on the energy efficiency of new buildings.

The President has called upon the Governors to take similar actions to reduce energy use at the state level.

9. Voluntary Actions

Individual action by each of our citizens is the best way to achieve conservation goals while minimizing the intervention of the federal government into the everyday life and business of Americans. The President is calling upon each and every American to make conservation an important feature of their daily lives.

The President is calling upon every driver in the United States to reduce travel by 10 to 20 miles per week. If all drivers were to reduce travel by 10 miles per week, this action alone could save 300,000 barrels of oil per day. Driving 10 miles less per week can be easily accomplished by leaving the car at home one day each week. Mass transit, carpools, or walking, where appropriate, can take the place of the car.

Among the other specific actions the President urges citizens to take to reduce their energy use are:

- o Make sure that cars are well-tuned and that tires are properly inflated. This can save energy and money.
- o Make maximum use of carpools and encourage private employers to make vanpools available.

- o Obey the 55-mile-per-hour speed limit. This can save as much as 200,000 barrels per day.
- o Lower home thermostats to 65 degrees during heating season, and avoid cooling below 80 degrees. Turn off all appliances when not in use.
- o Make use of the energy tax credits contained in the National Energy Act to improve the energy efficiency of their homes. A 15% tax credit is available for any qualified energy conservation expenditure up to \$2,000, for a total credit of \$300. Investments made after April 19, 1977 and before January 1, 1986 will qualify for this credit.
- o Take advantage of the solar and renewable energy source tax credit which provides a 30% tax credit for the first \$2,000 in costs, and 20% for the next \$8,000. The maximum total credit is \$2,000.
- o For additional information on both of the above tax credits, the Internal Revenue Service provides toll-free telephone lines which are listed in local telephone directories and on individual tax forms.

Total Short-Term Savings

If each of these measures is fully implemented, the United States can reach the goal of up to a 5% reduction in oil consumption which the President has set. This 5% goal will fully offset the impacts of the loss of production from Iran, and will permit us to rebuild stocks of crude oil, gasoline, heating oil, and distillate needed to prevent shortages in the future.

The International Energy Agency Agreement

The President last month instructed his delegation to the International Energy Agency to seek international cooperation in achieving a reduction in petroleum consumption. Sharing the shortfall helps ensure that neither the United States nor any other nation will bear a disproportionate share of the burdens associated with the loss of production from Iran.

At a meeting of the International Energy Agency Governing Board on March 1 and 2, the United States and the other 17 IEA member nations entered into a joint agreement to reduce consumption by up to 5%. To achieve this goal, each country will adopt programs of its own choosing which will reach this level of savings by the end of 1979.

The U.S. share of the agreed-to savings ranges up to 1 million barrels of oil per day. The agreement among member countries calls for a reexamination of the actual level of savings required as international oil supply and market conditions evolve. The agreement also provides for review of the individual programs which member countries adopt. The next meeting of the Governing Board, scheduled for May 4, 1979 will provide a forum for review of these plans as well as for assessment of the prevailing oil supply and demand situation.

The following chart shows the savings to be accomplished, in accord with the IEA agreement, from conservation and other steps which the President is announcing:

Mandatory Thermostat Settings	195,000 - 390,000	bbl/d
Electricity Transfers	100,000 - 200,000	bbl/d
Oil to Gas Switching	200,000 - 400,000	bbl/d
Lead Phasedown	20,000 - 30,000	bbl/d
New Domestic Oil Production	80,000 - 250,000	bbl/d
Federal Savings	19,000 - 19,000	bbl/d
Voluntary Conservation	<u>200,000 - 500,000</u>	
TOTAL	854,000 - 1,539,000	bbl/d

NOTE: These savings will grow substantially as the incentives provided by decontrol take effect. By 1982, for example, savings from decontrol should reach 520,000 - 600,000 bbl/d.

Longer Term Conservation Activities

In addition to steps which can be taken almost immediately to reduce U.S. dependence on oil imports, significant savings can be realized over the longer run from sound conservation practices. These efforts must be directed toward increasing our energy productivity -- getting more work out of each unit of energy expended.

Conserving energy by increasing energy productivity will have both economic and environmental benefits. As imports of oil and gas are reduced, our balance of payment deficit is reduced, the dollar is strengthened, and energy security increased. Getting more from each unit of oil, natural gas, coal or uranium will help reduce inflationary pressures from energy prices and reduce environmental damages.

The President is directing that the following additional steps be taken toward increasing overall energy productivity and conservation:

1. Phase out of Free Parking For Federal Employees

The President has directed the Office of Management and Budget to begin phasing out subsidized parking for federal employees, consistent with any legal obligations or other compelling considerations. The elimination of free parking will apply to those parking spaces where the current monthly value of the space exceeds \$10 per month.

These fees are intended to encourage greater carpooling and use of mass transit for commuting, and to recover the \$35-40 million in costs which are borne by the general taxpayer. The fees will be phased in over a period of time, beginning on October 1, 1979.

It is estimated that about 130,000 government parking spaces would be subject to some charge while parking spaces without a charge will be subject to allocation based on carpool use.

This action could eliminate over 100,000 miles of vehicle travel each day in the downtown Washington D.C. area alone, saving 5,500-6,000 gallons of gasoline per day. Savings nationwide would clearly be greater.

The President is calling upon state and local governments and private employers to follow suit in eliminating subsidized parking to provide greater incentives for carpooling, vanpooling, and mass transit use.

2. Energy Performance Standards for Buildings

Under a 1976 law, (the Energy Conservation Standards for New Buildings Act of 1976) the Department of Housing and Urban Development and the Department of Energy were mandated to develop energy performance standards for new residential and commercial buildings. The standards, which are scheduled for issuance in final form next February, will require that new buildings meet specified energy performance goals (expressed, for example, in Btus per square foot per year). This will retain flexibility for designers and builders to choose the most appropriate materials and conservation methods to use, and will significantly improve the overall energy efficiency of new construction. The long term potential for energy savings in buildings is enormous, and this program should, over time, help realize those savings through the use of passive solar energy and other advanced design techniques.

3. Utility Implementation of Residential Conservation Service Activities

The National Energy Act requires utility companies to help their customers reduce fuel bills by making their homes more efficient. Many utilities have taken a leadership role in providing such services to their customers. The President is asking utilities and heating oil dealers to offer conservation services to their customers on a voluntary basis as soon as possible, instead of waiting until the mandatory requirements go into effect in 1980.

There is considerable flexibility in how utilities could respond: by offering audits, installation and financing themselves (with DOE approval); or by offering part of these services themselves and supplying information on others.

Starting in mid to late 1980, utilities must provide home conservation services including on-site audits, lists of contractors and lenders, and arrangements for installation and financing. These services can be made available by utilities prior to the mandatory date.

In addition, some public utilities and financial institutions have now begun to carry out exciting programs to provide the secure, long-term financing necessary to lower homeowners' utility bills. For example, one electric utility in Oregon, Pacific Power and Light, is currently providing interest-free loans that do not have to be repaid until the house is sold. The President has directed Secretary Schlesinger to use his authorities under the National Energy Act to encourage such programs to the fullest possible extent, and has asked for early and full cooperation by utilities.

The Department of Energy is also prepared to intervene before State Public Utility Commissions to: (1) help secure state approval for good utility plans (necessary under the NEA), and (2) help states encourage utilities to initiate such programs. DOE will assure speedy consideration of state and utility proposals for waivers and temporary programs as soon as possible. Efforts will be focused in the Northeast where many homes are heated with oil, and could be coupled with assistance to oil dealers interested in offering similar services.

The President has directed DOE to assist states and utilities in their planning efforts and to arrange a conference for the exchange of information about the viability of various alternative approaches.

4. Formation of Energy Coordinating Committee Task Force on Increasing National Energy Productivity

The President has directed Secretary Schlesinger to form a special task force on the Energy Coordinating Committee to develop further recommendations to improve national energy productivity. This task force will not be focused on potential near-term curtailment problems. Rather, it will be aimed at identifying long-term measures to increase steadily the energy productivity of all segments of the economy.

The task force will have two principal responsibilities. First, it will review the existing conservation programs of the federal government and make recommendations to the President on how they might be improved. Second, it will work with all federal agencies to review their regulations and programs to ensure they do not discourage energy efficiency and productivity.

The Energy Coordinating Committee was established by an Executive Order in September of 1978 to ensure communication and coordination among executive agencies on energy policy and to develop recommendations for improving federal energy policy. The Cabinet-level committee is chaired by Secretary Schlesinger and has been overseeing the implementation of the National Energy Act and the Uranium Mill Tailings Act, and reviewing energy facility siting.

5. Workshops for State Regulatory and/or Energy Agencies

DOE has already held a number of conferences and workshops around the Nation to discuss sections of the National Energy Act with officials from state energy and state regulatory agencies.

The President has directed DOE to host a series of national workshops with state public utility commissioners and other staffs to explore the following issues:

- o Utility involvement in residential energy conservation;
- o Time-of-day rates and marginal cost pricing;
- o Rate structures and other policies to encourage cogeneration of electricity and process heat; and
- o Standby measures, including conservation voltage regulation and automatic load restoration.

II. NEW SUPPLY INITIATIVES

In addition to substantial reductions in imports of foreign oil achievable through conservation, encouraging maximum production of domestic resources can contribute significantly to the energy security of the U.S. The President is announcing a number of new programs designed to enhance domestic production of oil, natural gas, and coal, and to improve the means by which these resources are used.

Of major importance in any program to maximize U.S. oil production is the lifting of controls on the price of domestically-produced crude oil. The President is initiating a program of phased decontrol by September 30, 1981. He is also urging Congressional action to tax the oil company windfall profits which decontrol will bring in order to protect the public against unwarranted increases in oil company revenues.

1. Crude Oil Pricing

Background: Under the Energy Policy and Conservation Act of 1975 (EPCA) which amends the Emergency Petroleum Allocation Act (EPAA), all authority to control the price of domestically-produced crude oil expires on September 30, 1981. As of June 1, 1979, previous statutory limitations on the amount by which oil prices may increase become discretionary with the President, and his actions require no Congressional review or approval prior to implementation. Between June 1, 1979 and September 30, 1981, the President retains wide discretion on whether and how price controls should be implemented.

Oil now under price controls falls into two basic categories: generally, lower tier, or old oil, which is defined as oil discovered and in production prior to 1973, and upper tier, or new oil, which includes all non-exempt oil found thereafter. (Certain categories of oil are now effectively exempt from price controls, including oil from wells producing less than 10 barrels per day, Alaska North Slope oil production, and oil from U.S.-owned reserves such as Elk Hills National Petroleum Reserve in California.) Approximately two-thirds of all domestically-produced oil is now under price controls. The remaining one-third falls into one of the exemption categories. Lower tier oil now sells for about \$6 per barrel, upper tier for about \$13.

In addition to the price control system, a program has been established under the EPAA to equalize costs of crude oil to refineries, regardless of whether they have access to domestically-produced price-controlled oil, or whether they must rely on imported oil. This program, called the entitlements system, essentially functions as an income transfer program between refineries so that their average acquisition costs for crude oil are equivalent.

The Decontrol Schedule

The President has directed the Department of Energy to complete or undertake administrative actions, pursuant to applicable rulemaking procedures, designed to phase out controls on all domestically-produced crude oil by September 30, 1981. This phased decontrol program will begin on June 1, 1979 by providing special new incentives to those categories of oil where the maximum amount of new exploration and production will result. Beginning in early 1980, prices will be gradually increased for upper and lower tier oil which does not qualify for one of the special incentive categories. Under this schedule for upper and lower tier oil prices, a windfall profits tax can be enacted before these price increases begin to occur.

These completed actions and proposals would result in the following phase-out schedule:

- o As of June 1, 1979, newly discovered oil will be permitted to receive the world market price. While only a small amount of oil will be included in this category at first, as new reserves are found and developed, newly discovered oil will contribute increasingly to U.S. supplies.
- o The Department of Energy has promulgated a rule under which, as of June 1, 1979, 80% of all production from marginal wells may be sold at the upper tier price. Marginal wells are those wells which produce below a certain volume of oil per day depending upon the depth of the well. The schedule of well depths and volumes qualifying as marginal follows:

Below 20 barrels/day between 2,000 & 4,000 feet

Below 25 barrels/day between 4,000 & 6,000 feet

Below 30 barrels/day between 6,000 & 8,000 feet

Below 35 barrels/day below 8,000 feet.

- o On January 1, 1980, the remaining 20% of production from marginal wells will be released to the upper tier price.
- o Effective June 1, any incremental new production from wells employing specified enhanced recovery techniques (e.g., tertiary recovery), may receive the world price. Beginning on January 1, 1980, producers who invest in enhanced recovery projects may release specified volumes of lower tier oil to the upper tier price in order to finance that investment.
- o Beginning on January 1, 1980, the upper tier oil price will increase in equal monthly increments until it reaches the world price on October 1, 1981.
- o The Department of Energy has today promulgated a rule under which, as of January 1, 1980, lower tier oil will be permitted to decline at a rate of 3% per month. Between June 1, 1979 and January 1, 1980, the decline rate will equal 1-1/2% per month, a rate equal to the natural decline rate experienced for lower tier wells in 1978.

As this schedule shows, only those categories of oil for which new production incentives are needed will receive the world price in 1979. This phasing will give the Congress adequate time to enact the windfall profits tax described below. It also defers, to the maximum extent possible, the inflationary effects of decontrol. This will ensure that decontrol does not add unnecessarily to the current high rate of inflation which is projected to have moderated substantially in 1980 and 1981.

It should also be noted that under EPCA the President retains the authority to adjust price controls in any way necessary.

The Windfall Profits Tax

In order to prevent excessive new revenues from flowing to oil producers, the President has requested that the Congress work with him to enact a windfall profits tax. This 50% windfall profits tax would be applied to:

- o producer revenues from the sale of uncontrolled oil which are attributable to any future OPEC price increases, and
- o producer revenues from the sale of lower and upper tier oil which are attributable to decontrol.

This windfall profits tax protects against two areas of excessive producer revenues: those which may result from the future actions of the OPEC cartel; and those which will result from the lifting of price controls on ordinary lower and upper tier oil which does not qualify for special production incentives. In the period just between the effective date of the tax (assumed to be January 1, 1980) and the end of 1982, more than \$10 billion in revenues which would otherwise go to oil companies will flow instead to the government to establish the Energy Security Fund. (This takes into account both revenues from the excess profits tax and the general income tax.)

Estimates of the macroeconomic effects of phased de-control, the impacts of producer revenues, the estimated savings in oil imports, and the Energy Security Fund Receipts are outlined in the following charts.

The uses of the Energy Security Fund are described in Section III.

ENERGY SECURITY PROGRAM: REVENUES
AND USES OF FUNDS

(billions of dollars; fiscal years)

	<u>1980</u>	<u>1981</u>	<u>1982</u>
<u>BASE CASE 1/</u>			
Revenues:			
. Windfall profits tax	0.4	1.7	2.9
. Additional oil producers' income tax <u>2/</u>	<u>1.2</u>	<u>2.3</u>	<u>3.0</u>
Total	1.6	4.0	5.8
Uses: <u>2/</u>			
. Low Income Assistance	.5	.8	.8
. Mass Transit	.2	.2	.3
. Energy Investments	<u>.9</u>	<u>3.0</u>	<u>4.7</u>
Total	1.6	4.0	5.8
<u>HIGHER OIL PRICES 3/</u>			
Revenues:			
. Windfall profits tax	0.5	2.4	4.5
. Additional oil producers' income tax	<u>1.2</u>	<u>2.3</u>	<u>3.3</u>
Total	1.6	4.7	7.8
Uses: <u>2/</u>			
. Low Income Assistance	.5	.8	.8
. Mass Transit	.2	.2	.3
. Energy Investments	<u>.9</u>	<u>3.7</u>	<u>6.7</u>
Total	1.6	4.7	7.8

1/ Base Case represents no further real increases in OPEC prices.

2/ Outlays and tax expenditures are estimated for a number of initiatives including regional strategic petroleum storage; a second SRC plant; new tax credits for wood stoves, oil shale, and solar; increased mass transit assistance; and assistance to the poor. A reserve for future expenditures from the fund is included, since a number of the energy initiatives do not involve immediate outlays or tax expenditures, but commit to substantial outlays or tax expenditures at a later date.

3/ Higher OPEC prices represents a 3% annual real increase in OPEC prices.

NOTE: Totals may not add due to rounding.

TABLE IV

ENERGY SECURITY FUND - SOURCE OF REVENUES
(Current \$ in Billions) ^{1/}

<u>Base Case</u> ^{2/}	<u>FY80</u>	<u>FY81</u>	<u>FY82</u>
<u>Revenues</u>			
Windfall Profits Tax	\$.4	\$1.7	\$2.9
Increase in Income Taxes Paid by Producers	1.2	2.3	3.3
Total	\$1.6	\$4.0	\$5.8
<u>Higher OPEC Prices</u> ^{3/}			
<u>Revenues</u>			
Windfall Profits Tax	\$.5	\$2.4	\$4.5
Increase in Income Taxes Total	1.2	2.3	3.3
	\$1.6	\$4.7	\$7.8

^{1/} Totals may not add due to rounding

^{2/} Base Case represents no further real increases in OPEC prices

^{3/} Higher OPEC Prices represents a 3% annual real increase in OPEC prices.

TABLE V

ENERGY SECURITY FUND
(Current \$ in Billions)

<u>Base Case</u> ^{1/}	<u>FY80</u>	<u>FY81</u>	<u>FY82</u>
<u>Revenues</u> ^{2/}	\$1.6	\$4.0	\$5.8
<u>Uses</u> ^{3/}			
Low Income Assistance	.5	.8	.8
Mass Transit	.2	.2	.3
Energy Investments	.9	3.0	4.7
<u>Higher OPEC Prices</u> ^{4/}			
<u>Revenues</u> ^{2/}	\$1.6	\$4.7	\$7.8
<u>Uses</u> ^{3/}			
Low Income Assistance	.5	.8	.8
Mass Transit	.2	.2	.3
Energy Investments	.9	3.7	6.7

^{1/} Base Case represents no further real increases in OPEC prices.

^{2/} Estimated revenues for the proposed windfall profits tax and additional income taxes paid by producers.

^{3/} Outlays and tax expenditures are estimated for a number of initiatives including regional strategic petroleum storage; a second SRC plant; new tax credits for wood stoves, oil shale, and solar; increased mass transit assistance; and assistance to the poor. A reserve for future expenditures from the fund is included, since a number of the energy initiatives do not involve immediate outlays or tax expenditures, but commit to substantial outlays or tax expenditures at a later date.

^{4/} Higher OPEC prices represents a 3% annual real increase in Opec prices.

2. Reform of Foreign Tax Credit Treatment to Oil Companies

Multi-national oil companies are receiving unjustified benefits through foreign tax credits, which cost American taxpayers millions of dollars a year. The President proposes to close loopholes in foreign tax credit treatment of these companies in two ways -- one requiring legislation and the other which can be done by regulation.

The President will propose legislation which would strictly limit the United States tax credit for a foreign country's oil and gas extraction income tax to the income on which those taxes are imposed. Excess credits "earned" on foreign oil and gas extraction income would not be able to shelter other income from low-tax income such as shipping and foreign refineries, which they can currently do. Credits would be permitted only with relation to oil and gas extraction income.

This legislation will move existing tax laws closer to the intent expressed by Congress in 1975 and 1976. The tax treatment now available to these oil companies is not needed for continued exploration and production. Passage of this legislation will increase the United States tax revenues by \$500 million in 1979.

The President feels strongly that at a time when additional revenues will be flowing to these multi-national oil companies, it is incumbent upon the Congress to pass this legislation expeditiously.

In addition, the Department of Treasury is currently reviewing regulations to tighten the foreign tax credit for oil and gas income, by laying down reasonable principles to govern the rules for distinguishing foreign income taxes, (which may be credited against United States income taxes,) from royalties and excise taxes, which may be taken only as deductions.

3. Enhanced production from Federally owned lands OCS and NPR-A (National Petroleum Reserve in Alaska) OCS Leasing Schedule

The President emphasized the importance of exploring and developing U.S. offshore oil and gas resources. The Interior Department has pursued an aggressive Outer Continental Shelf leasing schedule of five sales per year, and it has held to this schedule with a minimum of delay. Comprehensive environmental analysis and full consultation with the affected States have been basic to the success of this effort.

Passage of amendments to the Outer Continental Shelf Lands Act last year provides the tools to pursue an even more ambitious offshore effort. The Administration's new leasing schedule will offer more acreage for lease than in any other period in history. During 1976, 77 and 78, we offered 7.8 million acres. 14.5 million acres are proposed for 1979, 80, and 81. Final decisions on the pace of leasing will be made after statutory review and comment. The President is directing the Secretary of the Interior to propose additional acreage to that in the new leasing schedule.

Development of NPR-A:

The National Petroleum Reserve located on the North Slope of Alaska has long been regarded as a promising source

of oil and gas. Though the difficulties of exploration and development under Arctic conditions make production from NPR-A a longer term prospect, the President will be proposing to Congress exploration and development by private companies under carefully controlled conditions. These recommendations will be based on an evaluation of NPR-A being completed by the Department of the Interior. The results of this evaluation will provide a basis for the President's recommendations to Congress late this year. These recommendations will give careful consideration to the environment, the concerns of the State of Alaska, and the native inhabitants of the region.

4. Coal

Coal remains this country's major continuing source of fossil fuel. We have 3 1/2 times more energy in our domestic coal resources than in all other domestic resources combined.

Nevertheless U.S. coal production has increased only slightly in the last four years, due in large measure to lack of strong demand and uncertainty in some federal policies.

To address this problem, the President has directed the following steps:

o Coal Leasing and Development

Today, 12% of the Nation's coal production comes from federal lands. The Secretary of the Interior has stepped up the pace of Federal coal leases such that in 1978 and 1979 more leases will have been issued than in the preceding seven years. Additional coal leasing on Federal lands will be permitted as needed. For the first time, a Federal program will be in place which will not only allow greater coal production from the Federal lands, but will assure that production is undertaken with due consideration to environmental concerns and to the impact on local communities and landowners.

The President has also directed the heads of the three major federal agencies with responsibilities for regulating the activities of the coal industry to report back to him within 60 days on how coal production, development, and use can be increased. The three agencies are the Department of the Interior, the Department of Energy, and the Environmental Protection Agency.

o Coal Gasification

The Administration supports private sector initiatives to commercialize coal gasification to supplement our nation's supply of gas. The President has asked the Department of Energy to continue its assistance in minimizing the regulatory, financial and institutional barriers involved in such development. For example, the Department of Energy has supported the formation of the Great Plains Coal Gasification Project consortium to build and operate a commercial size coal gasification facility in North Dakota.

o Coal Slurry Pipeline Legislation

In order to improve the nation's ability to use coal, and to deliver it from areas where it is mined to plants where it can be used, the Administration supports legislation to ensure that coal slurry pipelines can secure necessary rights of way.

Under appropriate conditions, coal slurry pipelines offer a cheaper method of moving coal and improve competition. While it is important that the impacts on water availability and competing modes of transportation be adequately assessed in approving coal slurry systems, the Administration will work with the Congress to develop a clear and efficient review procedure to minimize the time required for these assessments and to assure timely decision-making.

5. Loan Guarantee Authority

The President has directed the Department of Energy to submit to Congress a proposal to streamline the Department of Energy's current authority to issue loan guarantees for a broad range of energy technologies. The Department must have the flexibility to provide financial incentives, in a timely and efficient manner to permit early demonstration of important but commercially unproven energy technologies. With this authority, a range of technologies could be demonstrated, at little or no cost to the Federal government. The technologies eligible for loan guarantees range from renewable sources to high BTU gasification projects.

6. Purchases of Mexican Natural Gas

During President Carter's trip to Mexico in February, he and President Lopez Portillo agreed to resume government-to-government discussions on potential sales of Mexican natural gas to U.S. markets. A team composed of subcabinet officials from the Department of State, the Department of Energy and the National Security Council was in Mexico City on April 3-4 for talks with Mexican government officials on the volumes of gas available for export and the appropriate pricing of that gas.

Mexico has substantial reserves of both natural gas and crude oil and is expanding production at a rapid rate. The United States is the natural market for Mexican energy exports due to the proximity of the two countries and the resulting transportation efficiencies.

The President expects that a natural gas purchase arrangement can be reached at a price which is fair to both countries, and which will help form the basis for a continuing relationship between the U.S. and Mexico in the energy area.

7. Need To Diversity Oil Sources

There are several potentially abundant, relatively secure and reasonably proximate sources of foreign oil and gas that have not yet been fully explored or developed. Because of the lead-times required to discover and develop new oil and gas fields, the most promising sources for the 1980's have been relatively well-explored. For the longer term the Administration is developing a broader international strategy for increasing oil and gas exploration in the world areas.

The President has already succeeded in encouraging the World Bank to finance hydrocarbon exploration in certain developing countries. The Administration's broader international strategy will include additional options for financing exploration and development of petroleum.

8. The Sohio Legislation

The President has directed that DOE work with California officials and Congressional committees to secure enactment of federal legislation which will ensure that the Sohio pipeline can be built.

On March 13, 1979, the Standard Oil Company of Ohio (Sohio) announced its intention to terminate plans for the construction of a crude oil pipeline from Long Beach, California, to Midland, Texas. In announcing its withdrawal, Sohio indicated that delays in the permitting process and the threat of protracted litigation in California had threatened the economic viability of the project.

This pipeline project is in the national interest. The pipeline is already laid and the physical modifications necessary for crude oil shipment are relatively modest. It would provide an efficient means for distributing Alaskan North Slope crude that is surplus to West Coast needs to inland markets. To that end, the Administration has continuously supported the construction of west to east pipelines and has endorsed appropriate action to expedite both the approval and construction of such systems.

Under the leadership of the Department of Energy, a three-pronged approach has been developed: first, Sohio has agreed to reactivate its application before the South Coast Air Quality Management District (SCAQMD) on the pledge of Federal and State officials that every effort would be made to remove the remaining obstacles within six months. The Board Chairman has agreed to proceed with consideration and completion of the application in a timely manner. (Sohio has, in fact, resubmitted their application and the SCAQMD Board recently convened and completed hearings on the permit.) Secondly, there will be an effort led by Senator Cranston and aided by California officials to pass legislation in the State legislature to limit the time for filing lawsuits and to require their expeditious handling. As a final step, the Administration will work with the Congress to gain enactment of Federal legislation which will ensure that the project moves forward.

We shall make sure that air quality in California is protected, and that due deference is afforded state and local determinations in this area. Nevertheless, with a project this vital it is now time to end debate and take action, and the Administration will support the necessary legislative actions to expedite the administrative review process.

9. Pipeline to Serve the Northern Tier of the United States

It is essential to the national interest to have an efficient system for moving Alaskan crude oil from the West Coast to the inland states. Under the National Energy Act, an expedited process is well underway which will permit the President to choose that pipeline or pipelines which best serve the national interest. The President has asked the Secretary of the Interior to further accelerate the selection process so that the President may make a final decision before the end of the year. Discussions have already been held with Canada to expedite any Canadian government recommendations on the proposed pipeline systems. The President has also directed the Secretary of the Interior to use all of his authority to ensure that Federal permits are issued expeditiously after a decision is made, and that administrative and judicial review proceed expeditiously.

Four applications have been filed with the Interior Department for review under the expedited review procedure. These are: Northern Tier Pipeline Co., Transmountain Pipeline Company, Kittimat Pipeline Ltd., and Foothills.

10. Federal Inspector for the Alaska Natural Gas Pipeline

On April 1, the President transmitted to Congress a proposed reorganization plan which will create an Office of Federal Inspection for the Alaskan Natural Gas Pipeline System. Establishment of the office, and the granting of necessary coordination and enforcement authorities, is an essential step toward completion of the Alaska pipeline for natural gas.

The Alaska Gas Transportation System is a 4,748 mile system which is to be constructed in partnership with Canada. It will deliver natural gas from the Prudhoe Bay reserves through Canada and points in the West and Midwest. Its estimated completion date is late 1984.

11. Modification of Alaskan Oil Sales Restrictions

The President's authority to consider swaps, or exports of Alaskan North Slope oil, is severely limited under amendments to the Export Administration Act (P.L. 95-52). This Act expires on June 22 of this year, and the President has directed the several agencies involved with the Export Administration Act reauthorization to seek the removal of these restrictions.

While no proposal has been made for the export or swap of Alaskan oil -- and none may ever be -- it is important that the President have sufficient flexibility to consider various alternatives to increase production of our Alaskan oil reserves. Swaps could provide significant transportation savings, strengthen ties with Mexico, and strengthen U.S. balance of payments. In addition, such flexibility would be important in providing an efficient means of meeting our oil supply agreements with Israel. There are, however, many other factors which would have to be weighed in determining the advisability and precise components of an Alaskan oil swap, but modification of Presidential authority will allow prompt action when and if appropriate.

12. Federal Energy Facility Siting Executive Order

The President will sign an Executive Order instructing the Office of Management and Budget to establish a system through which deadlines will be set for Federal decisions on critical energy facility permit applications. The President is also urging states to similarly set strict timetables for state permitting actions.

The Executive Order directs that:

- o OMB establish and administer a system through which deadlines will be established for decision-making by non-independent Federal regulatory agencies on non-nuclear energy facilities which the President deems to be of critical national importance. This review will not in any way modify agencies statutory responsibilities.
- o OMB require each reviewing Federal agency to submit certain information with respect to each selected project. The required information may include:
 - anticipated dates for submission of complete Federal applications from project sponsors;

- targeted final Federal decision dates on each significant permit or statutory review;
 - actions required of other Federal agencies to allow final Federal decision;
 - actions required of non-Federal government authorities to allow final Federal decisions;
 - further action required of the applicant to allow final Federal decision; and
 - semi-annual or more frequent progress reports, including specific reasons for any slippage in targeted final Federal decision dates.
- o OMB, on the basis of the information submitted, provide to the President, deadlines for Federal actions with respect to each facility, and keep the President informed as to agency performance in meeting those deadlines.
 - o OMB assure that, to the maximum extent possible, multi-agency reviews are conducted cooperatively and concurrently.
 - o Because state permits are also critical to moving energy projects forward OMB seek joint review processes between Federal and State bodies where concurrent processes can expedite Federal or State decisions.

13. Energy Management Partnership Act (EMPA)

The President will transmit to Congress a legislative proposal to reform existing state energy grant programs of the Department of Energy. This proposal will:

- o Consolidate three existing Department of Energy grant programs.
- o Provide \$100 million annually to States and local governments.
- o Provide \$5 million annually directly to local governments and Indian tribes for special energy projects, and \$5 million for DOE administration and technical assistance.
- o Eliminate a number of existing mandatory State responsibilities, while imposing new requirements in the areas of energy planning, energy emergency preparedness and renewable resources use.

14. Nuclear Energy

As the President noted in his speech, the recent accident at the Three Mile Island nuclear plant has caused us all concern. In response to that accident, the President has directed that a fully independent Presidential Commission of experts be established to investigate:

- o the circumstances leading to the accident, and the chain of events as it unfolded;

- o the technical questions which this accident raises concerning the operation of the safety and back-up systems of this plant and design;
- o the nature and adequacy of the response to the accident by all levels of government.

It is anticipated that this Commission will be established and will report back promptly.

The President urged that the nation respond with care and reason to this accident, recognizing that 13% of our Nation's electricity comes from nuclear power.

He has asked the Nuclear Regulatory Commission (NRC), an independent regulatory body, to accelerate its schedule for the placing of a permanent resident NRC inspector at every reactor site. Under the resident inspector program begun in 1978, the NRC now has permanent inspectors at 20 reactor sites covering 26 individual reactor units. In response to the Three Mile Island accident, the NRC has also dispatched inspectors to the three other sites at which plants of the same design are located.

He also instructed the Department of Energy to work closely with the NRC to determine whether and what additional safety precautions may be needed.

In order to resume important discussions begun with the Congress last year on nuclear siting and licensing issues, the Secretary of Energy will be transmitting nuclear siting and licensing legislation shortly. It is essential that questions of the timeliness with which the process is carried out in a safe manner, be reviewed thoroughly and necessary changes made. The Administration expects to work with the Congress to determine the appropriate next steps in improving the siting and licensing process to assure both greater safety and efficiency.

III. The Energy Security Fund

1. Low Income Assistance

The removal of price controls on oil will impact all Americans, but the burden will be heaviest for low-income households, those who spend the largest proportion of their dollars on heat, electricity, transportation and other energy-related necessities. The major purpose, therefore, of the Energy Security Fund will be to provide assistance to those families which will help offset the increase in fuel prices resulting from decontrol.

The President will ask the Congress to pass a portion of the Energy Security Tax revenues on to low-income households through the Energy Security Fund. This assistance program would provide an average of about \$100 per year to a typical low income household.

In addition to this assistance from the Energy Security Fund, the Department of Energy has already collected \$60 million from suits against refiners for oil price overcharges above the amount allowed under federal price control regulations. Over \$3 billion worth of claims are still in litigation. The President has directed that, as these funds are received, they be used to assist lower-income people to the extent that direct victims of the overcharges cannot be identified.

Finally the President has urged states to pass legislation that would prohibit cut-off of heat and electricity during the cold winter months. Such State legislation is consistent with the Public Utility Regulatory Policy Act which encourages action of this kind to protect low-income consumers. No U.S. citizen should be subject to a precipitous cut-off of energy which is vital to their health and welfare.

2. Mass Transit Assistance

Although transportation accounts for over half of the total petroleum consumption of the United States, the most energy-efficient form of transportation--mass transit--accounts for only 6% to 7% of all travel trips. Mass transit ridership must increase in the coming years if we are to hold in check our consumption of precious liquid fuels.

In order to increase ridership, we need to expand transit capacity in the short term at a faster rate than currently planned. And that increased capacity must be available at the times of the day when it can make a difference -- during commuting hours. Approximately one-third of our auto use involves commuting to or from work, yet many of our mass transit systems are filled to capacity during rush hours. Federal grants already have made possible significant improvements in mass transit systems, and cities such as Seattle, Denver and Atlanta, among others, have put clean, reliable and innovative transit service on the street. Those cities have demonstrated that good transit service is one of the best incentives for people to give up the use of the car for certain trips. As gasoline prices increase and liquid fuels become more scarce, we must help more cities offer those same incentives. And we must show results soon.

If the Energy Security Tax is enacted by the Congress, the President will propose that funding be increased for those transit projects that can begin to offer tangible benefits as soon as practicable. Over the next ten years,

a total of \$3.1 billion from the Energy Security Fund would be targeted toward this objective--over and above the amount now planned to be spent. These increased funds will make it possible to purchase 1100 to 1500 more transit buses a year than the 3000 to 3500 now planned to be purchased. Funds also would be applied toward expanding the level of rehabilitation work on existing subway and commuter rail systems, so that we can assure their availability and reliability at a time when they will be called upon to carry more people.

This additional activity will be funded through the bus and rail rehabilitation grant programs authorized by the Surface Transportation Assistance Act of 1978.

3. Energy Investments

Sometime during the next century, our nation and the world will have begun to reach an era of energy systems which rely on nearly inexhaustible sources of energy supplies. Energy supplies will be diverse and abundant, secure from foreign instability and interruption, and environmentally benign. Between now and then, however, we must not only plot a course of carefully selected investments in developing those future technologies, we must also take steps to ensure that our transition to that future era is a smooth one and make incremental changes in our existing energy system which will help us negotiate the decade of the '80's.

In his FY 1980 Budget, the President already has asked the Congress to appropriate more than \$3.6 billion for energy research and technology development. These funds will help finance the development of a broad spectrum of new technology options to permit the greater use of domestic energy resources in a safe and environmentally acceptable manner. Much of this investment is aimed at long-range research and development which is the foundation for the next century's energy systems:

FY 1980 Energy R&D Budget	
<u>(BA -- \$ millions)</u>	
Solar	589*
Magnetic Fusion, geothermal and low-head hydro	518
Fossil	772
Nuclear fission	937
Other energy supply	800
Total	<u>3616</u>

*Represents only a portion of overall Federal solar expenditures. Total is \$845 million, including tax credit expenditures.

In addition to this funding, millions of dollars in loan guarantees and tax credits also are aimed at encouraging the greater use of our domestic energy resources.

Our investments in energy technology equal those being made by the rest of the non-Communist world. But even at this level, our investments do not match our need.

Congressional passage of the excess profits tax and the creation of the Energy Security Fund will allow us to nearly double the investments we are making in energy, and help in particular to assure that the period from now through the turn of the century is a time of security and confidence, rather than uncertainty and fear.

TABLE VI

USES OF THE ENERGY SECURITY FUND

<u>Assistance to Low Income Households</u>	<u>Assistance for Mass Transit</u>	<u>Energy Technology</u>
- Provide an average of about \$100 per year to a typical low-income household.	- Increased grant assistance for bus purchases. - Rail rehabilitation assistance to cities with existing rail (subway, trolley, commuter train) transit service. - Increased interstate transfer funds.	- Regional petroleum storage (Hawaii & Northeast) - A second Solvent Refine Coal (SRC) demonstratic plant. - Tax credits for shale oil production. - Tax credits for agricul tural and industrial solar equipment. - Tax credits for residen tial wood stoves. - Tax credits for use of passive solar. - Development program for synthetic liquid fuels (including gasoline substitutes). - Additional funding for coal R & D - Loan guarantees for con struction of non-nuclea demonstration projects.

The Minority Set-Aside Program

DoE will begin to develop a minority set-aside program in conjunction with the Energy Security Fund. In addition, DoE will increase the volume of minority contracts through:

- o consultation with the Office of Minority Business Enterprise and the Small Business Administration (SBA);
- o Meeting with minority business groups to explain the contracting process, specific contracting opportunities, and working with procurement offices;
- o Participation in the SBA's national computerized Procurement Automated Source System that supplies contracting offices with information on minority sources for procurement items.

Dollar volume of DoE minority contracts by the end of 1979 is expected to grow threefold over 1977. Year-to-year growth results show about \$32 million in 1977, \$84 million in 1978, and an estimated \$100 million in 1979.

DoE is also creating an Office of Minority Economic Impact as authorized in the National Energy Act to provide management and technical assistance as well as financial aid for minority educational institutions and business enterprises to participate in research, development, demonstration, and other contract activities of the Department. The President's FY 1980 Budget provides \$3 million for this Office.

- Recycling of refuse may become an important source for energy, as well as for other depleted minerals.
- Technological advances will permit wider use of electricity, to replace liquid and gaseous fuels in sectors such as transportation, innovative rate structures could introduce more careful load management by industry and householders.

The Far Term

If we plan well and act now, we can have highly developed alternate energy systems in place well before we begin to face depletion of fossil fuels in the next century.

The nation will increasingly turn to relatively inexhaustible energy supplies, driven by the high cost of depleting fossil fuels, and possibly by environmental problems. However, synthetic liquid and gaseous fuels may still be important.

There are three major candidates for the production of electricity:

- Systems for converting sunlight to electricity.
- Improved safe, advanced nuclear technologies, including breeders.
- Fusion, a clean power source running on readily available hydrogen isotopes.

Because advanced technologies based on inexhaustible sources are likely to produce electricity, the nation will turn to new ways of using electricity, and increasingly sophisticated use of computers for energy management.

Other inexhaustible energy sources -- biomass, geothermal, wind and ocean thermal power -- will also play important roles.

While we cannot know now the precise technologies which will supply our needs as we advance through the next century, we do know the challenge at hand. And in the present achievements of American science and technology we can see the seeds of a secure energy future. The Energy Security Fund proposed by the President is an investment in that future -- in the research, development and demonstration needed to accelerate our transition to alternative, abundant, safe and clean energy sources.

**A
NEW
START**
THE
NATIONAL
ENERGY
ACT

U.S. Department of Energy

A New Start

"Today we can rightfully claim that we have a conscious national policy for dealing with the energy problems of the present and also to help us deal with them in the future."

Those were the words of President Carter at the signing on November 9, 1978, of the most comprehensive energy legislation the Nation has yet enacted.

The National Energy Act is a significant first step toward assuring the adequacy of domestic energy supplies and the health and vitality of our economy.

As President Carter said after passage of the Act, "We have declared to ourselves and to the world our intent to control our use of energy, and thereby to control our own destiny as a Nation."

Underscoring its importance are estimates indicating that full implementation will save the Nation at least 2.5 to 3 million barrels of oil imports a day by 1985 over what otherwise would be the case. And for each million barrels of oil per day not imported, the United States saves at least \$5 billion a year in overseas payments.

Energy Secretary James R. Schlesinger, whose department is administering the Act, said its purpose "is to put into place a policy framework for decreasing oil imports by:

- replacing oil and gas with abundant domestic fuels in industry and electric utilities, such as coal,
- reducing energy demand through improved efficiency,
- increasing production of conventional sources of domestic energy through more rational pricing policies, and
- building a base for the development of solar and renewable energy sources."

When President Carter submitted to Congress the Plan on which the National Energy Act is based, he said, "There is an energy challenge to be met . . . I have faith that meeting this challenge will make our lives more satisfying. We can rediscover the ingenuity and the efficiency which have made our Nation prosper, rather than deepening our dependence on insecure imports and increasingly expensive conventional energy supplies."

THE CHALLENGE

The President mentioned "meeting a challenge." What challenge? Isn't there plenty of energy, plenty of oil? We read about "oil gluts," and about "significant new oil discoveries." Why is there a challenge?

There is indeed an energy challenge to be met, a transition to undergo, an oil problem to be solved. Last year, this country used energy at a rate equivalent to 37 million barrels of oil a day. Almost *half* of that energy came from oil itself. And almost half of that oil, a *quarter of our total energy consumption*, was imported. Each and every hour, the United States imports an average of almost 400,000 barrels of oil, an unsustainable rate.

THE REALITIES

The National Energy Act is based on recognition of four realities:

1. World oil production will peak sometime during the next 15 years, while world oil demand will continue to grow. Exactly when this prospective supply-demand gap will occur depends on the willingness and ability of the Organization of Petroleum Exporting Countries (OPEC) to produce, and on the willingness and ability of the United States and other nations to limit demand. This gap is expected to occur in the mid- to late 1980s, but could occur sooner.
2. Even if adequate oil supplies were available in the mid- to late 1980s, the United States could not afford to pay for them. The balance of payments outflow would have fiscal and economic effects that would be increasingly unacceptable, socially and politically, domestically and internationally.
3. Even if these economic, political, and social impacts could somehow be minimized, foreign policy and strategic and national security implications of increased oil import dependency would be intolerable.
4. The world oil problem *will* be resolved, either *uncontrollably*, through severe economic shocks to national economies, or *controllably*, through concerted early action to ease the transition that must be made to more abundant sources.

So we have no alternative; we *must* reduce dependence on the oil we're importing, and we must use the oil we consume more efficiently. To achieve this goal, the President asked for, and Congress gave him, with some modifications, energy legislation covering the following areas:

- Energy Conservation
- Coal Conversion
- Utility Rate Reform
- Natural Gas Pricing
- Tax Credits for Energy-Saving Investments

Brief descriptions of each of these portions of the Act are given below.

CONSERVATION: Highlights of the *National Energy Conservation Act of 1978*

The reduction of energy demand through efficiency is central to the objectives of the National Energy Act. Conservation provides each member of the public, every family and business and industry, a chance to take direct action to reduce their own energy bills and, consequently, the amount of dollars spent overseas to pay for imported oil.

Benjamin Franklin once said, "A penny saved is a penny earned." Today, it can be said that: "A barrel of oil saved is a barrel of oil earned, and then some." It may cost a little to save a barrel of oil, for example, by insulating your home. It may cost nothing at all, for example, by turning out unneeded lights. The average cost of conserving a barrel of oil is estimated at less than \$7 a barrel. But to *buy* that barrel of oil from overseas would cost \$14 or \$15 now, and \$16 or more by the end of 1979. Synthetic oil made from coal might cost the equivalent of \$25 a barrel, or more.

So in a very real sense, conservation is our *best, cheapest, and quickest* source of oil supply. In fact, our wasteful and inefficient use of energy in the past gives us broad opportunities to conserve. "We must," Secretary Schlesinger said, "avoid increased dependence on oil . . . We must achieve a higher degree of fuel efficiency. We must learn to conserve."

A major conservation provision requires governors to submit plans to the Secretary of Energy on how electric and gas utilities and oil dealers in their states will advise customers of conservation and solar energy measures and the savings and costs of such measures. The Act requires utilities to inspect on request a customer residence. Lists of lenders, suppliers, and contractors must be provided along with offers to arrange for installation and financing of conservation and solar materials by listed firms. Except in certain cases, utilities are prohibited from actually installing materials or making loans.

Other provisions that encourage conservation include the following:

- Grants of up to \$800 for low-income urban families for insulating or weatherizing their homes.
- Grants of up to \$1500 for weatherizing homes of low-income rural families through the Farmers Home Administration.
- Grants through HUD to finance energy conservation improvements for multi-family housing projects for the elderly, handicapped, and low- or moderate-income families. The Act requires HUD to set minimum energy efficiency standards for multi-family houses and for new FHA housing.
- Loans and loan insurance for residential energy-saving improvements, and for the installation of either active or passive solar equipment.
- A 20 percent increase in federal mortgage insurance for buildings with solar heating systems.
- A 3-year \$100 million program for installing solar heating and cooling in federal buildings.
- A 3-year \$900 million program for energy audits and improvements in schools, health care facilities, and other public buildings.
- Energy efficiency standards for major home appliances, such as refrigerators and air conditioners.

COAL CONVERSION: Highlights of the *Power Plant and Industrial Fuel Use Act of 1978*

This country is blessed with the richest coal reserve in the Western World. A basic thrust of the National Energy Act is to reduce our dependence on imported oil by at once expanding domestic

coal production, and by encouraging large users to shift away from oil and gas to coal, waste, and other fuels, used in environmentally acceptable ways.

The National Energy Act will help achieve this shift by:

- Prohibiting the use of oil or natural gas in new utility generation facilities, or in new industrial boilers with fuel-heat input rates of 100 million Btu's per hour or more.
- Requiring existing coal-capable facilities to use coal, and requiring other units to use coal-oil mixtures.
- Requiring the use of natural gas in industrial and utility plants to end by 1990 (with certain exceptions) and limiting gas use in such plants unless short-term supplies are sufficient to justify temporary exemptions.
- Helping utilities fund pollution control through an \$800 million loan program.
- Prohibiting use of natural gas in small boilers (less than 100 million Btu's per hour) for space heating and for decorative lighting.
- Funding several programs to reduce the social and environmental effects of increased coal production.

UTILITY RATES: Highlights of the *Public Utilities Regulatory Policy Act*

For decades, consumers were encouraged to use more, rather than less, electricity. The public utilities rate reform section of the National Energy Act, however, is based on the principle that electric rates should encourage the conservation of energy and the efficient use of resources.

This legislation requires state utility commissions to consider, within 2 years, six kinds of utility rate reforms:

1. Time of Day Pricing—charging more for electricity used during the day, when everyone is using it, and less at night.
2. Seasonal Rates—charging more when air conditioning loads are high.
3. Cost of Service Pricing—charging less for customers whose type of electric service is easy to supply.
4. Interruptible Rates for customers willing to have service cut

during high demand, and Load Management Techniques aimed at reducing demand.

5. Prohibition of decreasing rates for larger blocks of electricity.
6. Lifeline Rates—uniform lower rates for the first several hundred kilowatt-hours for residential users.

The Act does not provide the Department of Energy with the authority to force state commissions to adopt any rate reforms; it merely requires that hearings be held. Under the Act, rules changes must also be considered regarding master metering; this is the practice of having one central meter for a number of apartments, so that residents have no means of judging their individual energy consumption. Hearings must also be held to consider prohibiting utilities from advertising at ratepayers' expense.

To stimulate *cogeneration*, which is the use of excess heat produced by one process (such as electric generation) for another purpose (such as heating buildings), regulations will be developed requiring utilities to buy and sell power at fair rates from qualified cogenerators and small power producers.

The Energy Act also authorizes funds to help consumers present their cases and objections before utility regulatory commissions. An Office of Public Participation will be established within the Federal Energy Regulatory Commission (FERC) to coordinate aid to the public and to administer intervenor funding assistance.

NATURAL GAS PRICING: Highlights of the *Natural Gas Policy Act of 1978*

This law for the first time creates a single national market for natural gas, which is the cleanest burning, least polluting, and most easily transported of all our fossil fuels. Previously regulations applied only to gas sold outside a producing state in interstate pipelines. Thus 40 percent of the natural gas produced has been out of the reach of the interstate market, partly because of the higher prices available inside the producing state; now all states have access to this gas.

Under our prior regulatory regime, as intrastate markets became saturated, a glut developed inside the producing states, which led to an excess of approximately a trillion cubic feet of gas produc-

tion annually. That gas will now be available to flow across the country into the interstate market. As a result, consumers will benefit from more abundant supplies.

Initial price increases will be applied to large industries using natural gas as boiler fuel. Increases in gas prices for homes, schools, and hospitals will be smaller. For home heating, natural gas will remain the cheapest form of energy for many years. With more gas flowing in the interstate market, gas hookups for some existing homes and for new housing can be permitted, reducing the home heating load on imported oil.

The law provides for an end to price controls on new natural gas in 1985. At that time, after a moderate period, either the President or the Congress will have the authority to reimpose controls for up to 18 months.

The purpose of the Natural Gas Policy Act is to help reduce our dependence on imported oil in two ways:

- It will stimulate production by giving producers increased prices, so they can afford to explore more aggressively for new gas.
- It will help accelerate the switch away from gas to more abundant fuels for the most inefficient users, while making more gas available for other industrial users, as well as for new homes.

ENERGY TAXES: Highlights of the *Energy Tax Act of 1978*

In addition to the conservation measures mentioned earlier, the Energy Tax Act includes these conservation provisions:

- A tax credit of up to \$300 for homeowners who install insulation, storm doors and windows, caulking, weatherstripping, modified flue openings, automatic furnace ignition systems, clock thermostats, and other energy-saving devices. This credit is retroactive to April 20, 1977, the date the President's energy message went to the Congress.
- A tax credit of up to \$2200 for homeowners who install solar, wind, or geothermal energy equipment, also retroactive to April 20, 1977.

- An extra 10 percent tax credit (in addition to the regular 10 percent investment credit) for businesses that install certain energy-saving or energy-producing equipment. This credit is retroactive to October 1, 1978.
- A tax on "Gas Guzzlers," beginning with the 1980 models. In 1980, cars getting fewer than 15 miles per gallon will be required to pay taxes ranging from \$200 (for cars getting 14 to 15 miles per gallon) to \$550 (for cars getting less than 13 miles per gallon). In 1985, the Gas Guzzler tax will range from \$500 (for cars getting 21.5 to 22.5 miles per gallon) to \$3850 (for cars getting less than 12.5 miles per gallon).

CONCLUSION

The National Energy Act is an important start toward confronting the serious energy problem that faces the Nation—indeed, faces *all* oil-consuming nations—namely, the growing dependence on insecure and finite sources of oil. We must begin now to make the transition toward more abundant, more secure fuels. We must adjust our homes, factories, and automobiles to meet these energy realities, while there is still time.

The basic problem is simple. Growth in world oil production cannot keep pace indefinitely with oil demand, which is rising relentlessly year after year. This growing appetite for oil is rapidly approaching the world's capacity to produce it, if that capacity has not peaked already. Even with a lower growth rate, the world would require production of 350 billion barrels between now and 1990, almost as much as the 360 billion barrels that have been produced since the beginning of the oil age in the mid-nineteenth century.

To be sure, finding new oil would put off the day of reckoning—the time when world oil production peaks and begins its long slide downward. But big new oil strikes have not been keeping pace with the world's need to replenish reserves. To maintain even today's pace, new fields the size of Kuwait and Iran will have to be discovered every 3 years, new fields the size of Texas or Alaska every 6 months. The last major United States oil strike was in Alaska a decade ago.

The new National Energy Act is a good beginning toward achieving energy objectives between now and 1985. But much more needs to be done. Government action alone is not the answer. The hard work and cooperation of the American people in their homes, cars, businesses, and industries also is needed. Solving the energy problem, transforming our economy into one less dependent on imported oil, is largely up to each citizen.

Meanwhile, the Department of Energy, in consultation with the public and with Congress, is seeking new ways to reduce energy vulnerability. The department is accelerating its programs to provide alternative energy sources that could be commercially ready when conventional sources become scarce and expensive early in the next century. For example:

- Research and development programs are being accelerated to improve the efficiency of oil and gas combustion.
- Support for major experiments in magnetic confinement, laser, and particle beam fusion is being increased.
- The Federal Government's proposed solar energy budget for fiscal year 1980 approaches a billion dollars, which is a ten-fold increase in solar expenditures since the early seventies.

Traditionally, the Federal Government has mainly been involved in the research and development of new technologies, leaving commercialization up to the natural processes of the marketplace. Now, however, faced with growing dependence on imported oil and what it is doing to our economy, this country does not have the luxury of waiting for the leisurely market processes to work.

So DOE is pushing toward the commercialization of those technologies that can help now, and in the near future. Some of these technologies are:

- Enhanced oil and gas recovery.
- Industrial fluidized-bed combustion.
- Passive solar.
- Solar hot water and industrial process heat.
- Low-head hydroelectric.
- Wood combustion.
- High efficiency motors.

That then is a brief appraisal of the energy challenge and a look at what is being done to meet that challenge.

President Carter said at the White House signing of the National Energy Act, "With this legislation we face the continuing challenge of the future with new tools and also with new resolve."

ADDITIONAL INFORMATION

General Inquiries Office of Public Affairs
 U.S. Department of Energy
 Washington, DC 20585
 (202) 252-5806

Specific National Energy Act Programs

Questions about . . . Contact

Natural Gas Regulations Office of Public Information
 Federal Energy Regulatory Commission
 Washington, DC 20426
 (202) 275-4006

Solar and Conservation Contact your local
 Tax Credits Internal Revenue Service office

Utility Rate Reform Office of Public Information
 Federal Energy Regulatory Commission
 Washington, DC 20426
 (202) 275-4006

Office of Public Information
Economic Regulatory Administration
Washington, DC 20461
(202) 634-2170

Conversion to Coal Office of Public Information
 Economic Regulatory Administration
 Washington, DC 20461
 (202) 634-2170

Weatherization of Low-Income Housing	Office of Buildings and Community Systems U.S. Department of Energy Washington, DC 20545 (202) 376-4646
Solar (Including Tax Credits)	Solar Heating and Cooling Information Center P.O. Box 1607 Rockville, MD 20850 (800) 523-2929 or (800) 462-4983 in PA (toll free numbers)
Utility Energy Audits	Office of Buildings and Community Systems U.S. Department of Energy Washington, DC 20545 (202) 376-4646
Government Assisted Loans for Conservation and Solar Energy	Government National Mortgage Association U.S. Department of Housing and Urban Development Room 6204 Washington, DC 20410 (202) 755-5593
Energy Conservation Standards for Housing	Division of Energy Building Technology and Standards Department of Housing and Urban Development Room 8148 Washington, DC 20410 (202) 755-6443

The following selected publications are available from DOE-TIC,
P.O. Box 62, Oak Ridge, TN 37830.

Energy from the Winds. How the winds can be harnessed to provide electrical power. 1978. 9 pages.

Gas Mileage Guide for New Car Buyers. Lists the estimated fuel economy potential of 1979 cars and light-duty trucks and the engine combustion designs that meet emission standards of all states. (California version evaluates new models on the basis of stringent California standards.) 1978. 28 pages.

How to Improve the Efficiency of Your Oil-Fired Furnace. Tells homeowners how to save money and reduce pollution by having their oil-fired heating systems serviced regularly. 1978. 9 pages.

Insulate Your Water Heater and Save Fuel. Describes a kit that can help a homeowner increase the insulation on a water heater and estimates the savings that could result. 1978. 3 pages.

Put the Sun to Work Today. Solar principles, equipment, and costs for homeowners considering the installation of solar heating and cooling systems, in addition to a brief account of renewable energy obtainable from the winds, water power, photovoltaic cells, thermal conversion, biomass, ocean thermal, and satellite systems. 1978. 24 pages.

Solar Energy. A survey of the various ways in which solar energy can provide electrical power. 1978. 20 pages.

The Solar Powered Irrigation Pump. How the sun can be used to pump water to irrigate crops. 1978. 9 pages.

Tips for Energy Savers. Offers practical and simple ways to save energy in the kitchen, workshop, garden, and in the car; includes energy-saving considerations when buying appliances and other household merchandise. 1978. 32 pages. (A Spanish language edition is also available.)

Where to Find Information About Solar Energy. This pamphlet answers twelve of the solar questions most often asked by people writing to the Department of Energy. 1978. 33 pages.

DOE produces information publications to fulfill a statutory mandate to disseminate information to the public on all energy sources and energy conservation technologies. These materials are for public use and do not purport to present an exhaustive treatment of the subject matter.

For a title list or information on a specific subject, please write to DOE-Technical Information Center, P.O. Box 62, Oak Ridge, Tennessee 37830.



U.S. Department of Energy
Office of Public Affairs
Washington, D.C. 20585

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APRIL 5, 1979

Office of the White House Press Secretary

THE WHITE HOUSE

TEXT OF THE PRESIDENT'S
ENERGY ADDRESS TO THE NATION

Our nation's energy problem is serious -- and it's getting worse. We are wasting too much energy, we are buying far too much oil from foreign countries, and we are not producing enough oil, gas or coal in the United States. To control energy price, production and distribution, the federal bureaucracy and red tape have become so complicated, it's almost unbelievable. Energy prices are high and going higher, no matter what we do. The use of coal and solar energy, which are in plentiful supply, is lagging far behind their great potential. The recent accident at the Three Mile Island nuclear power plant in Pennsylvania has demonstrated dramatically that we have other energy problems.

What can we do? We can solve these problems together.

Federal government price controls now hold down our own production and encourage waste and increasing dependence on foreign oil.

Present law requires that these federal government controls on oil be removed by September 1981, and the law gives me the authority at the end of next month to carry out this decontrol process. In order to minimize sudden economic shock, I have decided that phased decontrol of oil prices will begin on June 1st and continue at a fairly uniform rate over the next 28 months. The immediate effect of this action will be to increase production of oil and gas in our own country.

As government controls end, prices will go up on oil already discovered, and unless we tax the oil companies, they will reap huge and undeserved windfall profits. We must impose a windfall profits tax on the oil companies to capture part of this money for the American people. This tax money will go into an Energy Security Fund, and will be used to protect low income families from energy price increases, to build a more efficient mass transportation system, and to put American genius to work solving our long-range energy problems.

Let me explain all of this in more detail. This is very important, and I hope all of you will listen carefully and give me your cooperation and support.

The energy crisis is real. I said so in 1977, and I say it again tonight, almost exactly two years later. Time is running short.

While the situation at Three Mile Island is improving and we have taken every precaution to protect the people of the area, this nuclear accident obviously causes all of us concern.

I have directed the establishment of an independent Presidential Commission of experts to investigate the causes of this accident and to make recommendations on how we can improve the safety of nuclear power plants. You deserve a full accounting, and you will get it.

Although this accident is of immediate concern, the fundamental cause of our nation's energy crisis is petroleum. We are dangerously dependent on uncertain and expensive sources of foreign oil.

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Since the 1973 embargo, oil production in the United States has actually dropped. Our imports have been growing. Just a few foreign countries control the amount of oil that is produced and the price we must pay.

Just ten years ago, we imported hardly any oil. Today, we buy about half the oil we use from foreign countries. We are by far the largest customer for OPEC oil, buying one-fourth of that foreign cartel's total production. This year, we will pay out \$50 billion for imported oil -- about \$650 for every household in the United States.

This growing dependence has left us dangerously exposed to sudden price rises and interruptions in supply. In 1973 and 1974, shipment of oil was embargoed and the price quadrupled almost overnight. In the last few months, the upheaval in Iran again cut world supplies of oil, and the OPEC cartel prices leaped up again.

These shocks have sent us stern warnings about energy, but our nation has not yet responded to these warnings. Our national strength is dangerously dependent on a thin line of oil tankers stretching halfway around the earth, originating in the Middle East and around the Persian Gulf -- one of the most unstable regions in the world.

The National Energy Plan which I proposed in April 1977, was the first major effort to deal with these problems. Then, for 18 long months, Congress debated and special interests struggled for advantage. Some of my original proposals were enacted and benefits are already obvious, but proposals dealing with oil were not adopted, and we have now lost time we could not afford.

With new legal authority, I am now able to act without delay.

There is no single answer. We must produce more. We must conserve more. And now we must join together in a great national effort to use American technology to give us energy security in the years ahead.

The most effective action we can take to encourage both conservation and production here at home is to stop rewarding those who import foreign oil and to stop encouraging waste by holding the price of American oil down far below its replacement or true value.

This is a painful step, and I'll give it to you straight: Each one of us will have to use less oil and pay more for it.

But this is a necessary step, and I want you to understand it fully.

Excessive federal government controls must end.

Phased decontrol will gradually increase the price of petroleum products. In the short run it will add a small amount to our rate of inflation, but that is the cost we must pay to reduce our dependence on the foreign oil cartel.

In the longer run the actions I'm announcing tonight will help us to fight inflation. Other nations will join and support us as we cut down our use of oil and increase our own production of energy. The foreign oil cartel will then find it harder to raise prices. The dollar will grow stronger and the prices we pay for many imported goods will be less. This will strengthen our economy and reduce inflation in future years.

But decontrol could also further inflate the already large profits of oil companies. As I have said, part of this excessive new profit will be totally unearned -- what is called a "windfall" profit.

MORE

That is why we must have a new windfall profits tax to recover the unearned billions of dollars, and to ensure that you -- the American people -- are treated fairly.

I want to emphasize that this windfall profits tax is not a tax on the American people. It is purely and simply a tax on the new profits of the oil producers which they will receive but not earn.

Even with the windfall profits tax in place, our oil producers will get substantial new income -- enough to provide plenty of incentive for increased domestic production. I will demand that they use their new income to develop energy for America, and not to buy department stores and hotels, as some have done in the past.

Congressional leaders, who share my belief that a windfall profits tax is necessary, warn me that we face two very real threats to these proposals.

First, as surely as the sun will rise, the oil companies can be expected to fight to keep the profits which they have not earned. Unless you speak out, they will have more influence on the Congress than you do.

Second, the inevitable scrambling by interest groups for a larger share of these revenues can leave the Congress divided, bogged down, and unable to act. Unless your voice is heard, once again the selfishness of a few will block action which is badly needed to help our entire nation.

I will fight to get this tax passed, to establish the Energy Security Fund, and to meet our future energy needs, and tonight I appeal for your support. Please let your Senators and Representatives in Congress know that you support the windfall profits tax -- and that you do not want the need to produce more energy to be turned into an excuse to cheat the public and to damage our nation.

We can meet our energy challenge, but I am not going to put an undue burden on people who can hardly make ends meet as it is.

Part of the proceeds of the windfall profits tax will go to help those among us who will be hurt most by rising energy prices.

I will also ask every State to pass laws protecting Americans from arbitrary cutoffs of heat for their homes.

We will channel the tens of millions of dollars we are already winning in lawsuits against oil companies for price gouging into further energy assistance for lower-income citizens.

For the sake of fairness, I will ask Congress to close foreign tax credit loopholes that now give unnecessary benefits to the major oil companies.

And, to ease short run inflationary pressures, I will propose that existing fees and duties now applicable to imported crude oil and products be lifted temporarily.

Besides removing government controls on oil to encourage production, we must take other actions to increase supply and to make the most of our own domestic fuel reserves.

- I have today signed an executive order that will set strict deadlines for cutting through federal red tape on important new energy projects such as pipelines, seaports, and refineries.
- We will move to eliminate bureaucratic barriers to construction of the pending pipeline from California to Texas, which has been stuck in a quagmire of more than 700 State and local permit applications for the last 14 months.
- We will step up exploration and production of oil and gas on federal lands.
- This week my personal representatives began negotiations in Mexico City which we hope will lead to an agreement on sales of Mexican natural gas to the United States, at a price that is fair to both countries.
- The three federal agencies which regulate the coal industry will report to me within 60 days on ways to encourage greater use of coal -- our most abundant fuel resource.
- And I will soon announce significant measures to increase and to accelerate the use of solar energy.

In addition to producing more energy, we must conserve more energy. Conservation is our cheapest and cleanest energy source. It helps to control inflation, and every barrel of oil we save is a barrel we don't have to import.

We have recruited 19 other consuming nations to join us in pledging to reduce expected oil consumption by 5 percent.

To help accomplish this conservation goal:

- I have asked Congress to grant me standby authority in four areas, one of which is to require that thermostats in all commercial buildings be set no higher than 65 degrees in winter and no lower than 80 degrees in summer. As soon as I get that authority, I will use it.
- Steps will be taken to eliminate free parking for government employees in order to reduce the waste of gasoline in commuting to work. I call on all employers to follow suit.
- Tax credits will encourage the use of wood-burning stoves.
- I am asking all citizens to honor, and all States to enforce, the 55 mile-per-hour speed limit. This is one of the most effective ways to save fuel.
- I will set targets for our 50 States to reduce gasoline consumption, and ask each State to meet its target. The timetable will be strict. If States fail to meet their targets when gasoline shortages exist, then I will order mandatory steps to achieve the needed savings, including the weekend closing of service stations. If these savings are not made, we will almost certainly have gasoline shortages as early as this summer.

MORE

In addition, I ask each of you to take an important action on behalf of our nation. I ask you to drive 15 miles a week fewer than you do now. One way to do this is not to drive your own car to work every day. At least once a week take the bus, go by carpool -- or, if you work close to home, walk.

This action can make a significant difference for our country. For each day that we do this, we can save hundreds of thousands of barrels of oil. This will help to hold down prices of fuel, and you obviously will save money you would otherwise have spent on gasoline.

As needed on a temporary basis,

- I may extend certain environmental deadlines and make regulatory changes to help avoid serious shortages of gasoline.

- Unless utilities do so voluntarily, they may be ordered to run non-oil-burning generating plants at full capacity and to transmit the extra power to areas where oil burners can be phased out.

So far I have spoken about producing more energy and conserving more energy.

Now in the next few minutes, I would like to talk about the third -- and most promising -- part of our battle for energy security: shifting to more abundant sources of energy by the development and use of American technology.

We are already investing some \$3.5 billion each year to develop the new energy supplies we will need for the future.

But we must step up this effort. Just as we harnessed American dedication and brainpower to put men on the moon, we will make the same kind of massive, purposeful effort to achieve the goal of national energy security through technology. We must begin now so that we can regain control over our energy future.

That is why the Energy Security Fund -- with the tax on windfall oil profits that will pay for it -- is so vitally important. That is why every vote in Congress for this Fund will be a vote for America's future -- and every vote against it will be a vote for excessive oil company profits and for reliance on the whims of the foreign oil cartel.

The Energy Security Fund will let us pursue a sound strategy of energy research and development.

In years to come, we can design automobiles, buildings, appliances and engines that serve us better and use less energy.

We can improve mass transit and make our entire transportation system cleaner, faster, and more efficient.

We can broaden the use of our huge coal deposits by turning coal into clean gas, liquid, and solid fuels.

We can learn how to use our immense reserves of oil shale.

From the products of our forests and croplands, we can produce more gasahol -- already being used to replace gasoline in several Midwestern States.

We can promote the use of small-scale hydroelectric plants, powered by the flow of ordinary streams without the need for big dams.

And we can turn increasingly toward the ultimate source of all our energy -- the sun.

There are solar techniques that are economical right now. With existing tax credits and with our new Energy Security Fund, we can encourage even more rapid development and use of solar power. In the future, we will use solar energy in many other ways, including the direct conversion of sunlight into electricity. We already use this method for limited purposes such as in our space program, but scientific discoveries will be needed to make it more useful in our homes and factories.

The Energy Security Fund derived from the windfall profits tax will pay for these exciting new energy programs.

All of these steps can be part of a wider international effort. Other nations are eager to cooperate.

The actions and plans I have announced tonight will move us away from imported oil and toward a future of real energy security. These actions will give us a better life. These are necessary steps, because our country faces a serious petroleum problem and a broader energy challenge. The future of the country we love is at stake.

We Americans have met equal challenges in the past. Our nation has endured and prospered. Ours is a great country, and we have bountiful resources and technological genius.

We must recognize the urgency of this challenge -- and we must work together to meet it. Then we too will endure. We too will prosper. We too will triumph.

Thank you, and good night.

* * *